



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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Interim Director

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Interim Chief Deputy
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Board of Supervisors

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Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

May 3, 2022

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO APPROVE AN AMENDMENT TO
THE EMERGENCY CHILD CARE BRIDGE SOLE SOURCE
CONTRACT WITH THE CHILD CARE ALLIANCE OF
LOS ANGELES
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

The Department of Children and Family Services (DCFS) requests your Board's approval to amend the Emergency Child Care Bridge Contract with the Child Care Alliance of Los Angeles (CCALA) to increase the Maximum Contract Sum to align with the State's annual fiscal allocation for the coordination of child care services, and include additional Fiscal Year (FY) 2021-22 services as part of the Emergency Child Care Bridge Program for Foster Children.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Interim Director of DCFS, or designee, to execute an amendment substantially similar to Attachment A, to the Contract with CCALA. The amendment will update the Maximum Annual Contract Sum for the term July 1, 2021 through June 30, 2022. The estimated Maximum Annual Contract Sum for the term will be increased by \$8,351,309 and the revised amount is \$24,345,409, to be financed by 96 percent State funding (\$23,384,998) and 4 percent (\$960,411) net County cost (NCC). This increase includes additional funds for Non-Operational and Hold Harmless Support for Fiscal Year (FY) 2021-22, support for Additional Child Care Slots, Reappropriation from FY 2020-21, and Administrative Planning Reappropriation from FY 2020-21 (Trauma-Informed Care and Navigator Services). The Board and the Chief Executive Officer (CEO) will be notified in writing within 10 business days after execution of the contracts.
2. Delegate authority to the Interim Director of DCFS, or designee, to execute amendments to increase or decrease the Maximum Annual Contract Sum, if necessary to align with the

"To Enrich Lives Through Effective and Caring Service"

State's annual fiscal allocation to the Emergency Child Care Bridge Program. The approval of County Counsel will be obtained prior to the execution of the amendment, and the Interim Director, or designee, will notify the Board and the CEO in writing within 10 business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The lack of access to child care is one of the top barriers to finding homes for young foster children and is especially acute for relative caregivers who answer the call to take in a child at short notice. When children are removed from their parents due to abuse and neglect, they are in crisis and need a safe, loving family environment. For the young foster child, high-quality child care is also critical, as they are most at-risk for developmental delays, poor academic outcomes, and social-emotional issues that can be mitigated or prevented through effective early care.

Many subsidized child care programs have complicated enrollment processes with short enrollment windows that may not align with the timing of a child's foster care placement. For resource families and relatives who work or go to school, taking in a child and their siblings can put their family in financial jeopardy. The services provided by this Contract allow access to child care for resource families who work and request child care in order to accept new or the continued placements of young children, and keeping siblings together. Assisting these resource families with child care will result in placement stability for the child and increased caregiver recruitment and retention. The Bridge Program also enables parenting teens and non-minor dependents to immediately enroll in school or become employed.

Emergency child care is especially needed right now to support resource parents who are essential workers that have DCFS dependent children placed with them. Emergency child care also provides temporary support to working caregivers that must address the additional responsibility of virtual distance learning for school age children. The participating child care providers have taken the opportunity to increase their enrollment in trauma-informed care, and utilize coaching services to better serve children impacted by placement and social restrictions set in place to reduce the spread of the COVID-19 virus and its variants. CCALA will continue to work with the local Resource and Referral (R&R) agencies countywide to: (1) identify and support local child care providers in order to increase the number of foster children successfully placed in home-based family care; (2) increase capacity of child care programs to meet the needs of foster children in their care; and, (3) maximize funding to support the child care needs of resource families. In addition, CCALA will work with the eight R&R agencies and three Alternative Placement Program (APP) agencies to recruit, train, and coach child care providers on caring for young children, who have been abused, neglected, and/or exposed to trauma, and facilitate the child's transition to permanent child care settings.

If the requested delegated authority is approved, DCFS could expedite amendments and access State funding in a timely manner maximizing emergency child care resources. The State frequently updates the fiscal allocation for Emergency Child Care Services providing projected budget allocations, budget reallocations, and a final budget each FY. Due to the State's practices, and contract protocols, DCFS would be required to return to the Board each time the State adjusts the fiscal allocation, therefore, delaying the availability of funds and inadvertently prolonging resources from being utilized for Emergency Child Care Services.

IMPLEMENTATION OF STRATEGIC GOALS

The recommended actions are consistent with the principles of the Countywide Strategy I.1, Increase Our Focus on Prevention Initiatives, Objective I.1.1, and Promote Supportive Parenting: Increase the number of vulnerable children and families served-by the County referred to the community-based network of Prevention/Aftercare providers.

FISCAL IMPACT/FINANCING

The Maximum Annual Contract Sum for the contract term of July 1, 2021 through June 30, 2022, is increased by \$8,351,309 and the revised amount is \$24,345,409, financed by 96 percent (\$23,384,998) State funding and 4 percent (\$960,411) NCC.

Contract extensions will be contingent upon available State Bridge funding. Sufficient funding is included in the DCFS FY 2021-22 adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Senate Bill 89 (Chapter 24, Statutes of 2017) established the Emergency Child Care Bridge Program for Foster Children, which aims to: (1) increase the number of foster children successfully placed in home-based family care; (2) increase capacity of child care programs to meet the needs of foster children; and, (3) maximize existing local, state and federal child care funding to support the child care needs of resource families.

All County Letter 17-109 requires participating counties to enter into an agreement with local Resource and Referral (R&R) agencies to provide a child care navigator for families receiving a monthly voucher. County Fiscal Letter 21/22-45 informs counties of the FY 2021-22 final allocation and reappropriation for the Emergency Child Care Bridge Program.

The Bridge Program consists of three components: (1) time-limited monthly payments or vouchers for emergency child care services; (2) child care navigator services; and, (3) trauma-informed care training and coaching offered to the participating emergency child care providers.

DCFS submitted a Board Notification (Attachment B) on February 15, 2022, in compliance with County of Los Angeles Code 5.100 (Sole Source Contracting Policy) and 5.120 (Authority to Approve Increases to Board Approved Contract Amounts) of DCFS' intent to amend the Emergency Child Care Bridge Contract.

DCFS evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply. County employees cannot effectively perform these services because they require the development and utilization of resources that are not available in the County system.

The Board letter has been reviewed by County Counsel and CEO. County Counsel has approved the Amendment (Attachment A), as to form. The Sole Source Checklist (Attachment C) has been approved by CEO.

CONTRACTING PROCESS

On February 10, 2020, DCFS received approval from the California Department of Social Services to enter into a sole source contract with CCALA as the principal contractor, who then enters into subcontracts with each of the eight R&R agencies and three APP agencies in Los Angeles County.

On June 8, 2021, the Board approved DCFS' request to enter into a Sole Source contract with Child Care Alliance of Los Angeles for Emergency Child Care Bridge Services. The Contract was executed on July 1, 2021, for a contract term of July 1, 2021 to June 30, 2022, with three one-year options to extend.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

If the recommended actions are not approved, the County will not be able to expedite amendments and access funding in a timely matter in order to maximize Emergency Child Care Resources for young foster children and risk losing funds if not used by the deadlines set by the State.

CONCLUSION

Upon approval of this request, it is requested that the Executive Officer/Clerk of the Board send an adopted stamped copy of this Board letter to:

Department of Children and Family Services
Contracts Administration Division
Attention: Leticia Torres-Ibarra, Contracts Division Manager
425 Shatto Place, Room 400
Los Angeles, CA 90020

Respectfully submitted,



BRANDON NICHOLS
Interim Director

BN:DY:CMM:KDR
LTI:CP:vf

Attachments (3)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors



AMENDMENT NUMBER ONE

FOR

EMERGENCY CHILD CARE BRIDGE SERVICES

WITH

CHILD CARE ALLIANCE OF LOS ANGELES

CONTRACT NUMBER 21-04-013

**AMENDMENT NUMBER ONE
EMERGENCY CHILD CARE BRIDGE SERVICES
CONTRACT NUMBER 21-04-013**

This Amendment Number One (hereinafter referred to as "Amendment") to the Emergency Child Care Bridge Services Contract Number 21-04-013, (hereinafter referred to as "Contract") is made and entered into by and between the Department of Children and Family Services on behalf of the County of Los Angeles and its Board of Supervisors (hereinafter referred to as "COUNTY") and Child Care Alliance of Los Angeles, (hereinafter referred to as "CONTRACTOR"), in Los Angeles, California this _____ day of _____ 2022.

WHEREAS, COUNTY and CONTRACTOR are parties to this Contract adopted by the Board on June 8, 2021, and CONTRACTOR has been providing Emergency Child Care Services to the COUNTY; and

WHEREAS, Amendment No. One is to update the Maximum Annual Contract Sum, Pricing Sheet, Budget and Budget Narrative, and programmatic changes to this Contract and its exhibits per County Fiscal Letter Number 21/22-45 as approved by the Board of Supervisors on _____ for a revised Maximum Annual Contract Sum;

WHEREAS, this Amendment is prepared and executed by COUNTY and CONTRACTOR as set forth in the Contract Part II, STANDARD TERMS AND

CONDITIONS, SECTION 7.0, CHANGES AND AMENDMENTS; and

NOW, THEREFORE, COUNTY and CONTRACTOR mutually agree to the following changes to the Contract:

1. **CONTRACT, TABLE OF CONTENTS, PART I** is amended to add the following:

45.0 STATE LETTERS AND BULLETINS
46.0 COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL
47.0 ADDITIONAL TERMS AND CONDITIONS
2. **CONTRACT, TABLE OF CONTENTS, PART II** is amended to add the following:

46.0 COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS

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- 3. CONTRACT, TABLE OF CONTENTS, EXHIBITS** is amended to add the following:

Exhibit A-14: Additional Work

Exhibit A-14a: Additional Work Templates

Exhibit N: Information Security and Privacy Requirements

Exhibit O: COVID-19 Vaccination of County Contractor Personnel

- 4. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 1.0 APPLICABLE DOCUMENTS AND DEFINED TERMS, Subsections 1.2 and 1.4, are amended to read as follows:**

1.2 Exhibits A, A-1, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, A-10a, A-11, A-12, A-13, A-14, A-14a, B, C, D, E, F, G, H, I, J, K, L, M, N, and O set forth below, are attached to and incorporated by reference in this Contract.

1.4 In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, contents or description of any task, deliverable, product, service, or other work between this Contract, Statement of Work, and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to the Contract, Exhibits, N, A, B through M, and O, A-1, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, A-10a, A-11, A-12, A-13, A-14, A-14a and any attachments.

- 5. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 1.0 APPLICABLE DOCUMENTS AND DEFINED TERMS, Subparagraph 1.5.15 is amended to read as follows:**

1.5.15 Refer to Exhibit N for additional Definitions.

- 6. CONTRACT PART I, UNIQUE TERMS AND CONDITIONS, SECTION 3.0, CONTRACT SUM, Subsection 3.1 is amended to read as follows:**

3.1 The parties agree that this is a cost reimbursement and fee for service contract with a Maximum Contract Sum of \$ 24,345,409 for the contract term July 1, 2021, through June 30, 2022 for childcare services, including management services, training for trauma-informed care and navigator services. The budget for the contract term ending June 30, 2022 is in alignment with County Fiscal Letter No. 21/22-45.

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7. **CONTRACT PART I, UNIQUE TERMS AND CONDITIONS, SECTION 4.0, INSURANCE REQUIREMENTS, Subsection 4.17** is amended to read as follows:

4.17 Cyber Liability Insurance

4.17.1 Refer to Exhibit N, Number 17 for additional requirements.

8. **CONTRACT PART I, UNIQUE TERMS AND CONDITIONS, SECTION 4.0, INSURANCE REQUIREMENTS, Original Subsection 4.17** is renumbered to 4.18 and to read as follows:

4.18 Mandatory Requirement to Register on County's Webven

Contractor represents and warrants that it has registered in the County's Webven. Prior to a contract award, all potential contractors must register in the County's Webven. The Webven contains the vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the county's home page at <https://camisvr.co.la.ca.us/webven/>.

9. **CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 5.0 INVOICES AND PAYMENTS**, is amended to add subsection 5.15 to read as follows:

5.15 Contractor without prior approval of County, may reallocate up to a maximum of five percent (5%) of the Maximum Annual Sum between categories (i.e., personnel, employee benefits, supplies and expenses, equipment, travel and indirect costs) of Contractor's approved budget.

Contractor shall request County's approval in writing for line item budget reallocations above the five percent (5%) maximum. In any event, such revisions shall not result in any increase in the Maximum Annual Sum. Such requests to County shall be addressed to the County Program Manager.

10. **CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 9.0 BACKGROUND AND SECURITY INVESTIGATIONS**, is amended to add subsection 9.2 to read as follows:

9.2 Refer to Exhibit N, Number 7 for additional requirements.

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- 11. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 14.0 CONFIDENTIALITY**, is amended to add subsection 14.8 to read as follows:

14.8 Refer to Exhibit N, Number 6 for additional requirements.

- 12. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 25.0 DATA DESTRUCTION**, is amended to add subsection 25.2 to read as follows:

25.2 Refer to Exhibit N, Number 10 for additional requirements.

- 13. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 42.0 SUBCONTRACTING**, is amended to add subsection 42.12 to read as follows:

42.12 Refer to Exhibit N, Number 8 for additional requirements.

- 14. CONTRACT, PART I., SECTION 45.0, STATE LETTERS AND BULLETINS** is amended to add Subsection 45.1 to read as follows:

45.1 Contractor shall ensure compliance with all County Fiscal Letters, All County Letters, and Child Care Bulletins as associated to the Emergency Child Care Bridge Program starting 2017 and onward. The County Fiscal Letters, All County Letters, and Child Care Bulletins may be found using the following links:

County Fiscal Letters - <https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/county-fiscal-letters>

All County Letters - <https://www.cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/all-county-letters>

Child Care Bulletins - <https://cdss.ca.gov/inforesources/letters-regulations/letters-and-notices/child-care-bulletins>

- 15. CONTRACT, PART I., SECTION 46.0, COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL** is amended to add subsections 46.1 through 46.5 to read as follows:

46.1 At Contractor's sole cost, Contractor shall comply with Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) of County Code Title 2 - Administration, Division 4. All employees of Contractor and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Contractor Personnel"), must be fully vaccinated against the novel coronavirus 2019 ("COVID-19")

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prior to (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract (collectively, "In-Person Services").

- 46.2 Contractor Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received (1) the second dose in a 2-dose COVID-19 vaccine series (e.g. Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g. Johnson and Johnson [J&J]/Janssen), or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").

- 46.3 Prior to assigning Contractor Personnel to perform In-Person Services,

Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated by confirming Contractor Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or (5) documentation of vaccination from Contractors who

follow the CDPH vaccination records guidelines and standards. Contractor shall also provide written notice to County before the start of work under this Contract that its Contractor Personnel are in compliance with the requirements of this section. Contractor shall retain such proof of vaccination for the document retention period set forth in this Contract, and must provide such records to the County for audit purposes, when required by County.

- 46.4 Contractor shall evaluate any medical or sincerely held religious exemption request of its Contractor Personnel, as required by law. If Contractor has determined that Contractor Personnel is exempt pursuant to a medical or sincerely held religious reason, the Contractor

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must also maintain records of the Contractor Personnel's testing results. The Contractor must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Contractor Personnel must meet the following requirements prior to (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract:

- a. Test for COVID-19 with either a polymerase chain reaction (PCR) or antigen test has an Emergency Use Authorization (EUA) by the FDA or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation or order.
- b. Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while

engaging with members of the public and County workforce members.
- c. Engage in proper physical distancing, as determined by the applicable County department that the Contract is with.

46.5 In addition to complying with the requirements of this section, Contractor shall also comply with all other applicable local, departmental, State, and federal laws, regulations and requirements for COVID-19. A completed Exhibit O (COVID-19 Vaccination Certification of Compliance) is a required part of any agreement with the County.

46.6 In instances where the personnel providing services under this contract are not the Contractor's employees but rather the employees of a subcontractor or an independent contractor provided by a subcontractor, contractor shall obtain certification from the subcontractor that the requirements of paragraphs 46.3 and 46.4 have been met by the subcontractor or by the personnel's employer of record. Contractor shall retain all such certifications from the subcontractors for audit purposes and shall instruct the subcontractors that all proof of vaccinations, documentation related to any medical or sincerely held religious exemption request, and records relating of any testing results, must be retained by the subcontractors or by the personnel's employer of record for audit purposes.

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- 16. CONTRACT, PART I: UNIQUE TERMS AND CONDITIONS, 47.0 ADDITIONAL TERMS AND CONDITIONS**, is added to read as follows:

47.0 ADDITIONAL TERMS AND CONDITIONS

47.1 For the following additional provisions, refer to Exhibit N:

1. DEFINITIONS
2. INFORMATION SECURITY AND PRIVACY PROGRAMS
3. INTENTIONALLY OMITTED
4. CONTRACTOR'S USE OF COUNTY INFORMATION
5. SHARING COUNTY INFORMATION AND DATA
6. CONFIDENTIALTY
7. CONTRACTOR EMPLOYEES
8. SUBCONTRACTING AND THIRD PARTIES
9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION
10. RETURN OR DESTRUCTION OF COUNTY INFORMATION
11. PHYSICAL AND ENVIRONMENTAL SECURITY
12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY
13. ACCESS CONTROL
14. SECURITY AND PRIVACY INCIDENTS
15. NON-EXCLUSIVE EQUITABLE REMEDY
16. AUDIT AND INSPECTION
17. CYBER LIABILITY INSURANCE

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18. PRIVACY AND SECURITY INDEMNIFICATION

ADDEDNUM A: INTENTIONALLY OMITTED

ADDENDUM B: INTENTIONALLY OMITTED

ADDEDNUM C: APPLICATION SOURCE CODE
REPOSITORY

17. CONTRACT, PART II, SECTION 46.0, COUNTERPARTS AND ELECTRONIC SIGNATURES AND REPRESENTATIONS is added to read as follows:

46.1 This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Contract. The facsimile, email or electronic signature of the Parties shall be deemed to constitute original signatures, and facsimile or electronic copies hereof shall be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Section 10.0 (Changes and Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

18. Exhibit A (Statement of Work), Table of Contents is amended to add Part D, 10.0 Additional Work, Exhibit A-14, and Exhibit A-14a.

19. Exhibit A (Statement of Work), is amended to add Part D, Section 10.0 Additional Work and Subsection 10.1 to read as follows:

10.0 Additional Work

10.1 Pursuant to CCB 21-07 issued on September 13, 2021 child care providers are eligible to receive reimbursement for 16 non-operational days and Hold Harmless days from July 1, 2021, through June 30, 2022. Additional work is detailed in Exhibit A-14.

20. Exhibit A-8 (County Administrative Management Roster) is replaced in its

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entirety and is attached hereto this Amendment.

- 21. Exhibit A-14** (Additional Work) is added to the Statement of Work and is attached hereto this Amendment.
- 22. Exhibit A-14a** (Additional Work Templates) is added to the Statement of Work and is attached hereto this Amendment.
- 23. Exhibit B** (Pricing Sheet) of the Statement of Work for the contract term, July 1, 2021, through June 30, 2022, is replaced in its entirety and is attached hereto this Amendment.
- 24. Exhibit C** (Line-Item Budget) of the Statement of Work for the contract term, July 1, 2021, through June 30, 2022, is replaced in its entirety and is attached hereto this Amendment.
- 25. Exhibit D** (Budget Narrative) of the Statement of Work for the contract term, July 1, 2021, through June 30, 2022, is replaced in its entirety and is attached hereto this Amendment.
- 26. Exhibit E** (Auditor-Controller Contract Accounting and Administration Handbook) of the Statement of Work is replaced in its entirety and is attached hereto this Amendment.
- 27. Exhibit N** (Information Security and Privacy Requirements) is added to the Statement of Work and is attached hereto this Amendment.
- 28. Exhibit O** (COVID-19 Vaccination of County Contractor Personnel) is added to the Statement of Work and is attached hereto this Amendment.

EXCEPT AS AMENDED HEREIN, ALL TERMS AND CONDITIONS OF THIS CONTRACT SHALL REMAIN IN FULL FORCE AND EFFECT.

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CONTRACT NUMBER 21-04-013**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Seven to be subscribed on its behalf by the Director of the Department of Children and Family Services and the CONTRACTOR has caused this Amendment Number Seven to be subscribed on its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR in this Contract. This Amendment may be executed in separate counterparts and may be delivered by electronic facsimile; each counterpart, when executed and delivered, shall constitute a duplicate original but all counterparts together shall constitute a single agreement.

COUNTY OF LOS ANGELES

CONTRACTOR

By: _____

By: _____ Date: _____

BRANDON NICHOLS, INTERIM DIRECTOR
Department of Children and
Family Services

Name: _____

Title _____

Date: _____

By: _____ Date: _____

Name: _____

Title _____

45-0532426

Tax Identification Number

APPROVED AS TO FORM:
BY THE OFFICE OF COUNTY COUNSEL
RODRIGO A. CASTRO-SILVA, ACTING COUNTY COUNSEL

By: _____ Date: _____

David Beaudet, Senior Deputy County Counsel

Los Angeles County Department of
Children and Family Services
Emergency Child Care Bridge Program for Foster Children

County Administrative Management Roster

TITLE	NAME	CONTACT INFORMATION
Deputy Director	Kym Renner	DCFS Headquarters 425 Shatto Place Los Angeles, CA 90020
Division Chief	Jennifer Hottenroth	DCFS Torrance 2325 Crenshaw Blvd. Torrance, CA 90501 (310) 972-3204 Hottje@dcfs.lacounty.gov
Program Manager	Lisa-Marie Kaye	DCFS Headquarters 425 Shatto Place Los Angeles, CA 90020 (213) 351-3286 Kayeli@dcfs.lacounty.gov
Program Manager Designees	Elizabeth Esteban and Charlotte Lewis	DCFS Pasadena 532 E. Colorado Blvd. Pasadena, CA 91101 (310) 776-1495 and (626) 314-0007 lunael@dcfs.lacounty.gov and lewich@dcfs.lacounty.gov

EMERGENCY CHILD CARE BRIDGE PROGRAM
ADDITIONAL WORK

1. SIGNATURE REQUIREMENT WAIVER AND DIGITAL SIGNATURES

Effective July 1, 2021, through June 30, 2022, or through the end of the state of emergency in response to the COVID-19 pandemic as declared by the Governor on March 4, 2020, whichever comes first, Contractor shall reimburse providers who submit an attendance record or invoice without a parent or guardian signature if the provider has attempted to collect the signature but the parent or guardian is unable to sign due to the COVID-19 pandemic.

If available, all contractors and providers shall use digital signatures per Welfare and Institutions Code (WIC) Section 10227.5 and 10269. Per CCB 21-07 Software that uses digital signatures is reimbursable within contract funds

2. SIXTEEN (16) COVID-19 RELATED PAID RELATED NONOPERATIONAL DAYS

SB 168 allocates funding to provide a state-subsidized child care provider serving children through the Bridge Program with up to 16 paid nonoperational days between July 1, 2021, and June 30, 2022, if the provider is closed due to COVID-19-related reasons. These 16 reimbursable nonoperational days are available to all provider types including license-exempt providers. These 16 reimbursable paid nonoperational days are in addition to the 10 existing paid nonoperational days available pursuant to Title 5 of the California Code of Regulations (5 CCR) Section 18076.2(b)(2). These days do not need to be used consecutively.

Effective July 1, 2021, through June 30, 2022, counties and contractors must reimburse Bridge Program providers for up to 16 paid nonoperational days when the provider's facility where child care services are rendered is closed for COVID-19 pandemic related reasons, including closures necessary to allow providers to obtain the COVID-19 vaccine or recover from COVID-19 vaccine side effects. Providers must mark on their attendance records or invoices any closure days they wish to claim when they were closed for reasons related to the COVID-19 pandemic. Counties and Alternative Payment Programs (APPs) administering the Bridge Program should instruct providers to keep track of any COVID-19-related closures. Reimbursements shall be made to an alternate provider, when applicable.

3. NON OPERATIONAL RETROACTIVE ADJUSTMENTS

Some Child Care Providers may have already had closures related to COVID-19 prior to the enactment of SB 168. Therefore, a process adjustment is added to include reimbursement for nonoperational days for closures related to COVID-19 that were not claimed by providers since July 1, 2021. Contractor shall notify Child Care Providers immediately of the retroactive statutory directive which provides the option of requesting an adjustment to be reimbursed retroactively for closures dating back to July 1, 2021, related to COVID-19, for which the Child Care Provider was not previously reimbursed. Contractor shall process these adjustments as quickly as possible.

4. HOLD HARMLESS

Effective July 1, 2021, through June 30, 2022, Contractor shall reimburse licensed and license-exempt child care providers serving children in the Bridge Program based on families' certified need for care, as follows:

- Reimbursement shall be based on the family's maximum authorized hours of care, regardless of attendance.
- For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.
- License-exempt providers that provide part-time care shall be reimbursed based on the maximum authorized hours of care.

5. HOLD HARMLESS RETROACTIVE ADJUSTMENTS

Contractor shall process adjustments to ensure all Child Care Provider reimbursements for care provided since July 1, 2021, were based on the maximum certified hours of care rather than attendance. Contractor shall notify Child Care Providers immediately of the retroactive statutory directive which provides the option of requesting child care reimbursements in accordance with this guidance for care provided between July 1, 2021, and June 30, 2022.

6. TRACKING NONOPERATIONAL AND HOLD HARMLESS DAYS

Contractor shall track the usage of these 16 paid nonoperational days and associated costs (i.e., costs related to reimbursement to secondary or alternate providers when a family's primary provider is closed for COVID-19-related reasons), as well as short-term child care to eligible children, and this information must be reported to the Department on a monthly basis monthly via a CalWORKs Stage One and Bridge Program COVID-19 Nonoperational Days Survey. Contractor shall have practices in place to ensure individual Bridge Program providers are not paid more than a total of 16 paid nonoperational days between

July 1, 2021, through June 30, 2022. Contractor shall provide the safeguard tracking tools to Program Manager for approval prior to utilization.

CHILD CARE ALLIANCE OF LOS ANGELES

Emergency Child Care Services - Bridge
Service Month:

INVOICE NO:

DATE:

CONTRACT# :

VENDOR ID:

TAX ID:

SUBMIT TO

Los Angeles County
Department of Children and Family Services
425 Shatto Place, Room 200
Los Angeles, CA 90020
ATTN: Contracts Accounts Payable

REMIT TO

Child Care Alliance of Los Angeles
815 Colorado Blvd, 4th Floor
Los Angeles, CA 90041
(323) 274-1380
(Remittance is via direct deposit)

SERVICES

DESCRIPTION	AMOUNT
CCALA Administrative Services	
Administrative for Voucher Processing	
Voucher Services	\$ -
Additional 16 Paid Nonoperational Days for COVID-19 Closures	\$ -
Hold Harmless	\$ -
Navigator Services	
Trauma Training	
TOTAL AMOUNT	

I certify that all information is true and accurate.

Name of Authorized Personnel

Name of County Manager

Signature

Signature

Date

Date



Year to Date Invoice Summary
Foster Care Bridge
Contract Term: 7/01/21 to 6/30/22

No.	Service Category	Funding	Maximum Budget Allocation	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD Total Spent	YTD % Spent
1	Administration Cost (CCALA)																
	Direct	NCC														\$ -	#DIV/0!
	Indirect Cost															\$ -	#DIV/0!
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
2a	Administration Cost for Voucher (Subcontractors)																
	Direct	State Bridge														\$ -	#DIV/0!
	Indirect Cost															\$ -	#DIV/0!
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
2b	Voucher for Child Care Services (Sub-Sub)																
	Provider Payment	State Bridge														\$ -	#DIV/0!
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
3	Additional 16 Paid Nonoperational Days for COVID-19 Closures																
	Provider Payment	State Bridge	See note below													\$ -	See d. YTD Spent
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
4	Hold Harmless																
	Provider Payment	State Bridge	See note below													\$ -	See d. YTD Spent
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
5	Navigator Services (Subcontractors)																
	Monthly Navigator Cost	State Bridge														\$ -	#DIV/0!
	Indirect Cost															\$ -	#DIV/0!
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
6	Trauma Training Services (Subcontractors)																
	Monthly Training Cost	State Bridge														\$ -	#DIV/0!
	Indirect Cost															\$ -	#DIV/0!
			SUBTOTAL	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
			TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Overall Summary:	Max. Budget		YTD Spent	YTD Spent %
Administrative Cost (CCALA) - NCC	\$ -		a. \$ -	#DIV/0!
Administrative Cost for Voucher (Subcontractors) - State Bridge	\$ -		b. \$ -	#DIV/0!
Voucher for Child Care Services (Sub-Sub) - State Bridge	\$ -		c. \$ -	#DIV/0!
Additional 16 Paid Nonoperational Days for COVID-19 Closures				
Hold Harmless	\$ 2,366,992.00		d. \$ -	0.00%
Navigator Servies (Subcontractors) - State Bridge	\$ -		e. \$ -	#DIV/0!
Trauma Training Services (Subcontractors) - State Bridge	\$ -		f. \$ -	#DIV/0!
	\$ 2,366,992.00		g. \$ -	#DIV/0!

Print Name	Signature	Date
Person that Prepared/Completed the Invoice		



CHILD CARE BRIDGE
Period Covering July 1, 2021 to June 30, 2022
Voucher Processing Admin

Subcontract Agency Name:		YTD Total Admin Reimbursable Cost:	\$ -	YTD Max. allowed admin (12.13%):	\$ -
		Less: Admin Payment received to date:	\$ -	(12.13% of total vouchers payment)	
		Total Voucher Admin Reimbursement Request:	\$ -		

A.	Salaries (Name and Title)	Voucher Processing Budget Amount	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	YTD Expense	YTD Available Budget
1	Payment Staff														\$ -	\$ -
2	Payment Staff														\$ -	\$ -
3	Payment Staff														\$ -	\$ -
4															\$ -	\$ -
5															\$ -	\$ -
	Total Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
B	Fringe Benefits															
1	Social Security, FICA, SUI														\$ -	\$ -
2	Health/Dental/Life														\$ -	\$ -
4	Other Fringe														\$ -	\$ -
	Total Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C	Supplies/Training Materials															
1	Office Supplies/Training Materials														\$ -	\$ -
	Total Supplies/Training Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D	Mileage & Parking Costs															
1	Mileage & Parking														\$ -	\$ -
	Total Mileage/Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E	Other															
2	Rent														\$ -	\$ -
3	Utilities, Telephone														\$ -	\$ -
4	Building & Child Liability														\$ -	\$ -
5	Building Maint & Rep														\$ -	\$ -
6	Staff Development														\$ -	\$ -
7	Other														\$ -	\$ -
	Total Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
F	Indirect Costs															
1	Indirect														\$ -	\$ -
	Total Indirect Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G	TOTAL BUDGET (Voucher admin only)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	Direct Vouchers Payment														\$ -	\$ -
2	16 Days of Nonoperation/Hold Harmless														\$ -	\$ -
H	TOTAL BUDGET (with voucher pmt)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CERTIFICATION BY AGENCY

I hearby certify that the amounts claimed are for Bridge Program Navigator services provided which have not previously been claimed or reimbursed by Child Care Alliance of LA or any other source; that this invoice is a true, correct, and supportable statement of the amounts due for services provided under this contract. I understand that payment on this claim may be delayed or withheld if this request for reimbursement contains any errors or omissions.

Name/Title of Authorized Signator (please type)			Signature			Date			Name/Title of Person Preparing Report (Please Type)			Phone Number			Email			Date		
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[illegible]

[illegible]

Hold Harmless

Procedure

On November 12, 2021, Child Care Bulletin (CCB) No. 21-18 was released instructing contractors of the Emergency Child Care Bridge Program to implement Senate Bill (SB) 168, reimbursement of 16 paid nonoperational days for COVID-19 related closures and childcare reimbursement based on enrollment rather than attendance, also known as Hold Harmless, retroactive to July 1, 2021 through June 30, 2022.

The following procedures apply to the Hold Harmless directive only.

The direction provided in the Child Care Bulletin states:

Effective July 1, 2021, through June 30, 2022, licensed and license-exempt childcare providers serving children in the Bridge Program shall be reimbursed based on the families' certified need for care, as follow:

- Reimbursement shall be based on the family's maximum authorized hours of care, regardless of attendance.
- For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.
- License-exempt providers that provide part-time care shall be reimbursed based on the maximum authorized hours of care.

Procedure:

- Reimbursement based on the family's maximum hours of care, regardless of attendance.
 - There is a difference between reimbursement based on maximum hours of care **regardless of attendance vs. eligibility**. For the Bridge Program, child(ren) and/or caregiver(s) are no longer eligible when any of the following occur, and services will terminate **as of the date** of ineligibility – no exceptions:
 - Child is removed from caregiver
 - Child is returned home to parent
 - Caregiver no longer has an eligible need for services
 - Caregiver/NMD moves
 - Legal guardianship
 - Adoptive placement
 - Child has exhausted 12-mos on the program
 - NMD turns 21yrs old

- Reimbursement for **school-age** children shall be paid based on the family's certified need for care.
 - If the family's certified need is full-time, reimbursement for school-age children will be based on the full-time certified need of the family.
 - If the family's certified need is part-time, reimbursement for school-age children will be based on the maximum part-time certified need of the family.
- In situations where the caregiver stopped taking the child to daycare without notification (abandonment of care), reimbursement will be paid no more than five (5) consecutive days after the last day of care based on the family's certified need for care.
 - The Bridge Provider Agreement states twice in two different sections, the Provider Agreements sections and the Monthly Reporting and Payment Terms sections, that the provider must notify the agency, within one business day, when a child is absent for five consecutive days. Providers must initial both statements in the Agreement, therefore, no exceptions to this policy.
- For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.
 - Reimbursement will not be based on "usage."
 - If the family's certified need is full-time on a variable schedule, reimbursement shall be full-time based on the certified need for all children, including school-age children.
 - Please note: Termination policies for ineligibility still applies for families certified for a variable schedule, including the abandonment of care policy.
- License-exempt providers that provide part-time care shall be reimbursed based on the maximum authorized hours of care.
 - If the family's certified need is full-time, reimbursement for school-age children will be based on the full-time certified need of the family.
 - If the family's certified need is part-time, reimbursement for school-age children will be based on the maximum part-time certified need of the family.
 - Please note: Termination policies for ineligibility still applies for families authorized with license-exempt providers, including the abandonment of care policy.

**PRICING SHEET
EMERGENCY CHILD CARE BRIDGE PROGRAM FOR FOSTER
CHILDREN CHILD CARE VOUCHER**

1. Each month, CONTRACTOR shall invoice COUNTY for services for DCFS-supervised children placed in child care through the Emergency Child Care Bridge Program for Foster Children.
2. Each invoice will include supporting documentation and have an itemized list of:
 - a. The number of vouchers issued to children, by SUBCONTRACTOR, and by DCFS office.
 - b. The total amount value of vouchers, by SUBCONTRACTOR, and by DCFS office.
 - c. A list of all children, by SUBCONTRACTOR, for whom a voucher payment was made in the month, which must include service month, voucher amount, and type of provider (Exhibit A-5).
3. CONTRACTOR will be reimbursed for actual cost of child care services provided as long as it doesn't exceed the rate of reimbursement for each child placed.
4. Reimbursement rate categories shall be defined as stipulated by Title V of the California Education Code, Division 1-California Department of Education, Chapter 19-Child Care and Development Programs, Subchapter 2.5-Utilization of the Regional Market Provisions, Article 1-General Provisions. Contractors shall reimburse providers in accordance with the following rate of reimbursement categories specified in section a below with the exception of relative and Trustline in-home child care which is not reimbursable:
 - a. The most recent Regional Market Rate (RMR) Ceilings for subsidized care in Los Angeles County, or for applicable County, as established by the California Department of Education (CDE). Currently, the most recent RMR ceilings were effective January 1, 2022. RMR Ceilings for other counties may be found on the CD website <http://www3.cde.ca.gov/rcsc/>
 - b. All applicable RMR regulations established by the State of California. (Title 5, Division 1, Chapter 19, Subchapter 2.5, Article 1, Sections 18074 through 18076.3)
5. CONTRACTOR, SUBCONTRACTORS, and child care providers shall not invoice for Emergency Child Care Bridge services which the child is receiving payment from another program such as but not limited to, Stage 2 Child Care, Stage 3 Child Care, Alternative Payment Program (CAPP), Head Start, or the State Bridge Program as specified in Attachment A, Statement of Work, Part E, Section 1.5.
6. Child care providers shall not be paid for days when the provider is not open to provide services, except for the days that a provider has an approved day of non-operation. The number of days of non-operation shall be limited to a maximum of ten days per fiscal year, per provider.
7. If more than one rate category applies to an approved child care schedule, apply a single category.
8. Payment shall be pro-rated if child placement is for less than one full month.
9. CONTRACTOR, SUBCONTRACTORS, and child care providers shall not reject any child placements for children who meet criteria for the Emergency Child Care Bridge Program for Foster children.

Child Care Alliance of Los Angeles
Fiscal Year (FY) 2020-2021
(July 1, 2021 - June 30, 2022)

EXHIBIT B

Pg. 2 of 3

CHART A

Child Care Navigator	
Maximum Annual Line Item Allocations per Full-time Equivalency (FTE)	
Budgeted Line Item	Allocation 12 Mos
Base Salary	\$ 55,000
Benefits	\$ 15,400
Supervision	\$ 11,000
Operations	\$ 21,000
Total Allocation per Navigator FTE	\$ 102,400.00

CHART B

R&R Agency	DCFS Office	# of FTE's	FTE Allocation 12 Mos
Child Care Resource Center (CCRC)	Palmdale	1	\$ 102,400
	Lancaster	1	\$ 102,400
	West SFV	1	\$ 102,400
	Van Nuys	1	\$ 102,400
	Santa Clarita	1	\$ 102,400
Total CCRC		5	\$ 512,000
Crystal Stairs, Inc.	Wateridge North	1	\$ 102,400
	Wateridge South	1	\$ 102,400
	Compton	1	\$ 102,400
	Vermont Corridor	1	\$ 102,400
Total Crystal Stairs		4	\$ 409,600
Mexican American Opportunity Foundation (MAOF)	Belvedere	0.5	\$ 51,200
	Santa Fe Springs	0.5	\$ 51,200
Total - MAOF		1	\$ 102,400
Pathways	Metro North	1	\$ 102,400
Total - Pathways		1	\$ 102,400
Pomona Unified School District (PUSD)	Glendora	0.5	\$ 51,200
	Pomona	0.5	\$ 51,200
Total - PUSD		1	\$ 102,400
Options for Learning (Options)	El Monte	0.5	\$ 51,200
	Pasadena	0.5	\$ 51,200
Total - Options		1	\$ 102,400
Connections for Children	Torrance	0.5	\$ 51,200
	West Los Angeles	0.5	\$ 51,200
Total - Connections		1	\$ 102,400
Children's Home Society	South County	1	\$ 102,400
Total CHS		1	\$ 102,400
SUB-TOTAL - NAVIGATORS		15	\$ 1,536,000
Additional Item re: to COVID pandemic:		# of Agencies	Total for Temp Staff
Temporary Staff to Check Vaccine Status of Child Care Providers (\$48,972 per agency)		8	\$ 391,780
Navigators	Grand Total		\$ 1,927,780

Child Care Alliance of Los Angeles
Fiscal Year (FY) 2020-2021
(July 1, 2021 - June 30, 2022)

EXHIBIT B

Pg. 3 of 3

CHART A

Trauma-Informed Care Trainer/Coach

Maximum Annual Line Item Allocations per Full-time Equivalency (FTE)

Budgeted Line Item	Allocation 12 Mos	New Amt: from Jan 2022
Base Salary	\$ 58,500.00	
Benefits	\$ 16,379.76	
Supervision	\$ 14,624.49	
Operations	\$ 23,800.00	
Total Allocation per TIC FTE	\$ 113,304.00	

CHART B

R&R Agency	# of FTE's	FTE Allocation 12 Mos
Child Care Resource Center	2	\$ 226,608
Crystal Stairs, Inc.	2	\$ 226,608
Mexican-American Opportunity Foundation	1	\$ 113,304
Pathways	1	\$ 113,304
Pomona Unified School District	1	\$ 113,304
Options for Learning	1	\$ 113,304
Connections for Children	1	\$ 113,304
Children's Home Society	1	\$ 113,304
	10	\$ 1,133,040
TIC Project Coordination and Consultation		\$ 270,000
Trauma-Informed Care	Grand Total	\$ 1,403,040

Child Care Alliance of Los Angeles
2021-2022 BUDGET (12 Months - Jul 1, 2021 to June 30, 2022)

CFL 21/22-45

INCOME:		TOTAL BUDGET FY2021/2022
1	Admin/NCC	\$ 960,411
2	State Funds:	
3	Navigators	\$ 1,927,780
4	TIC	\$ 1,403,040
5	Vouchers	\$ 15,773,821
6	Hold Harmless Support/Nonoperational	\$ 2,110,936
7	Subcontractors' Voucher Admin Costs	\$ 2,169,421
8	Total State Funds	\$ 23,384,998
TOTAL INCOME		\$ 24,345,409
EXPENSES:		
I. PERSONNEL		Amount
A. Salaries (Name and Title)		
1	Cristina Alvarado, Executive Director	\$ 63,000
2	Amie Caskey, Bridge Prgm Manager	\$ 90,433
3	Wendy Nghe, Finance Manager	\$ 35,358
4	Ray Miramontes, Fiscal Associate	\$ 45,864
5	Jackie Jimenez, Bridge Program Assistant	\$ 59,107
6	Dylan Ludwick, Program Assistant	\$ 48,277
7	Rica Yan, Office Manager	\$ 3,517
8	Adela Arellano, HR/Prgm Manager	\$ 30,000
9	Walter Aguilar, HR Generalist	\$ 4,420
Total Salaries		\$ 379,976
B. Benefits		
1	Social Security, FICA, SUI	\$ 37,333
2	Health/Dental/Life	\$ 68,396
3	Other Benefits	\$ 8,264
Total Benefits		\$ 113,993
Total Personnel		\$ 493,969
II. Supplies, Training, and Equipment		
A.	Office Supplies & Training/Training Materials	\$ 20,600
B.	Office Equipment/Technology	\$ 10,000
Total Supplies, Training, and Equipment		\$ 30,600
III. Mileage & Parking Costs		
A.	Mileage & Parking	5,176
Total Mileage & Parking Costs		\$ 5,176
IV. Operations		
A.	Rent/Leased Space	\$ 46,643
B.	Utilities, Telephone	\$ 14,400
C.	Staff Development	\$ 5,000
D.	TIC Admin Support	\$ 80,000
E.	Financial Analysis	\$ 50,000
F.	Professional Resources	\$ 16,248
G.	Temporary Staff Support	\$ 131,040
Total Operations		\$ 343,331

V. Indirect Costs	\$ 87,336
TOTAL CCALA EXPENSES (County Fund)	\$ 960,411
VI. Contracted Services (State Funds ONLY)	
A. R&R Agencies - Navigators	\$ 1,927,780
B.1 R&R Agencies - TIC Services	\$ 1,133,040
B.2 Trauma Informed Project Coord./Consultation	\$ 270,000
C.1 R&R Agencies - Vouchers	\$ 15,773,821
C.2 Hold Harmless Support Vouchers *	\$ 2,110,936
C.3 Subcontractors' Voucher Processing	\$ 2,169,421
TOTAL CONTRACTED SERVICES (State fund)	\$ 23,384,998
TOTAL ALL EXPENSES (County & State)	\$ 24,345,409

* \$256,056 from Nonoperational Days and Hold Harmless state allocation transferred to
C.3 Subcontractor's Voucher Processing

EXHIBIT D

Child Care Alliance of Los Angeles

BUDGET NARRATIVE

Emergency Child Care Bridge Program for Foster Children July 1, 2021 – June 30, 2022

EXPENSE:

I. PERSONNEL		\$ 493,969
A. Salaries	\$ 379,976	
B. Benefits	\$ 113,993	

CCALA employees and management staff support the project in the areas of administration, fiscal and programs. Salaries are reflective of a competitive salary range for the child care field. The percentage of time allocated to this project for each position is based on State Bridge Program objectives and tasks.

II. SUPPLIES, TRAINING AND EQUIPMENT		\$ 30,600
A. Office Supplies, Training, Materials	\$ 20,600	

Office supplies include all items necessary to complete daily work assignments of the project staff and training/outreach materials for the program. Additional supplies, including increased amounts of paper and toner will be required to track more detailed invoice and voucher payments.

B. Office Equipment/Technology	\$ 10,000	
--------------------------------	-----------	--

For continued modifications and maintenance to existing database in order to meet the reporting and billing requirements of the project.

III. MILEAGE & PARKING		\$ 5,176
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- A. Budgeted amount for mileage and parking of CCALA staff in the implementation of this project. Mileage is based on 2020 IRS rate of .575 cents per mile. We projected 600/mi/month x .575 cents x 6 mos for Jul 21-Dec 21 and 600/mi/month x .585 cents x 6 mos for Jan 2022 to Jun 2022, plus \$1000 for parking.

IV. OPERATIONS		\$ 343,331
-----------------------	--	-------------------

A. Rent/Leased Space	\$ 46,643	
----------------------	-----------	--

Rent costs will cover all facilities related expenses including the cost of office space rental, building maintenance, janitorial, parking, and security services for project staff.

Facilities costs are allocated based on the number of FTE staff assigned to each program. For the Bridge program, our costs were calculated as follows:

Estimate FTE at 16% x \$23,491.76 (monthly rent) x 12 mos = \$45,104.18

Estimate additional annual shared cost of building operating cost = \$1538.82

B. Utilities, Telephone	\$ 14,400	
-------------------------	-----------	--

Utilities and telephone costs will include a percent of time of CCALA project staff cell phone usage and internet connection. Estimate calculation at FTE at 16% x \$7500/mo x 12 mos.

C. Staff Development	\$ 5,000	
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Staff development costs will include expenses associated with trainings, conferences, and seminars to support the objectives of the State Bridge Program.

Child Care Alliance of Los Angeles

BUDGET NARRATIVE

Emergency Child Care Bridge Program for Foster Children July 1, 2021 – June 30, 2022

EXPENSE:

Conferences/Seminars within the State of California: Estimated at 2 per year

<i>Conference fees</i>	\$	1,000
<i>Accommodations</i>	\$	1,500
<i>Transportation</i>	\$	700
<i>Meals</i>	\$	300
<i>Local trainings/meetings</i>	\$	1,500

D. TIC Admin Support	\$	80,000
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This offsets the costs associated with the Administrative support provided in the Trauma-Informed Care program sub-contracted to Drew Child Development Corporation. These funds, combined with the Program Support under B.2 below, support the work of the Trauma Informed Care project component. No new positions have been added. Year Three program implementation includes continued Administrative support, such as processing and reviewing reports, submitting reports to Contractor, scheduling trainings, program expansion, and other administrative functions.

E. Financial Analysis	\$	50,000
CCALA will retain an independent contractor to provide financial consultation. A Finance Consultant with fiscal management and audit experience will help CCALA analyze expenditure reports from subcontracted agencies, monitor expenses, and calculate projections of child care voucher expenditures based on usage throughout the County. This includes recent Budget changes to the program to ensure tracking of new budget revisions and adjustments. CCALA will provide a copy of reports received by the Finance Consultant to the County. This contractor will help CCALA adhere to Contract Terms and Conditions that require Contractor to notify the County when Contractor has incurred 75% of all contract authorization under this Contract. Because this Contract is comprised of various sub-funds, it is essential we monitor all expenditures and projections.		

F. Professional Resources	\$	16,248
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Professional Resources include subscriptions to program applications such as Box, Constant Contacts, Same Page etc., and IT support cost, meetings, and other general cost specific to the programs.

G. Temporary Staff Support	\$	131,040
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CCALA will hire Temporary Staff Support as necessary to assist with obtaining verification of COVID vaccination verification forms from subcontractors. In addition, temporary staff will help process, track, and develop new forms to process the Nonoperational Days and Hold Harmless components outlined in CFL No. 21/22-45, and further described in CCB Nos. 21-18, 21-09 and 21-07.

V. INDIRECT COSTS \$ 87,336

Indirect costs for this project include insurance and management overhead costs. Below are the estimate costs of each major category:

Administrative Salaries & Benefits	\$	39,608
General liabilities	\$	5,658
Space/Leased	\$	16,975
Audit and Taxes	\$	4,527
Other overhead	\$	20,568

EXHIBIT D

Child Care Alliance of Los Angeles

BUDGET NARRATIVE

Emergency Child Care Bridge Program for Foster Children
July 1, 2021 – June 30, 2022

EXPENSE:

VI. CONTRACTED SERVICES \$ 23,384,998

A. Navigators \$ 1,927,780

Budget item funds one to five Navigators in each Resource and Referral (R&R) agency to work directly with client families. A total of 15 navigators across the county are included in this line item. Each Navigator is responsible for working with client families in the specific catchment area to be served by a DCFS regional office. Fifteen Navigators are assigned to DCFS offices based on resource parents need for child care across the county.

Child Care Navigator	
Budgeted Line Item	Allocation 12 Mos
Base Salary	\$ 55,000
Benefits	\$ 15,400
Supervision	\$ 11,000
Operations	\$ 21,000

Total Allocation per Navigator FTE \$ 102,400.00

R&R Agency	DCFS Office	# of FTE's	FTE Allocation
Child Care Resource Center (CCRC)	Palmdale	1	\$ 102,400
	Lancaster	1	\$ 102,400
	West SFV	1	\$ 102,400
	Van Nuys	1	\$ 102,400
	Santa Clarita	1	\$ 102,400
Total CCRC		5	\$ 512,000
Crystal Stairs, Inc.	Wateridge North	1	\$ 102,400
	Wateridge South	1	\$ 102,400
	Compton	1	\$ 102,400
	Vermont Corridor	1	\$ 102,400
Total Crystal Stairs		4	\$ 409,600
Mexican American Opportunity Foundation (MAOF)	Belvedere	0.5	\$ 51,200
	Santa Fe Springs	0.5	\$ 51,200
Total - MAOF		1	\$ 102,400
Pathways	Metro North	1	\$ 102,400
Total - Pathways		1	\$ 102,400
Pomona Unified School District (PUSD)	Glendora	0.5	\$ 51,200
	Pomona	0.5	\$ 51,200
Total - PUSD		1	\$ 102,400
Options for Learning (Options)	El Monte	0.5	\$ 51,200
	Pasadena	0.5	\$ 51,200
Total - Options		1	\$ 102,400
Connections for Children	Torrance	0.5	\$ 51,200
	West Los Angeles	0.5	\$ 51,200
Total - Connections		1	\$ 102,400
Children's Home Society (CHS)	South County	1	\$ 102,400
Total CHS		1	\$ 102,400
Navigators	Grand Total	15	\$ 1,536,000
Additional Item re: to COVID pandemic:		# of Agencies	Total for Temp Staff
Temporary Staff to Check Vaccine Status of Child Care Providers (\$48,972.50 per agency)		8	\$ 391,780
Navigators	Grand Total		\$ 1,927,780

Child Care Alliance of Los Angeles

BUDGET NARRATIVE

Emergency Child Care Bridge Program for Foster Children
July 1, 2021 – June 30, 2022

EXPENSE:

B.1	Trauma-Informed Care	\$	1,403,040
	Trainers	\$	1,133,040

This line item funds ten FTE trainers/coaches who have been trained in Trauma Informed content for the purpose of the project, which is to offer trainings and provide coaching support to with and provide support to child care providers in the area of Trauma Informed Care.

Trauma-Informed Care Trainer/Coach			
		Allocation	
Budgeted Line Item		12 Mos	
Base Salary	\$	58,500.00	
Benefits	\$	16,379.76	
Supervision	\$	14,624.49	
Operations	\$	23,800.00	

Total Allocation per TIC FTE	\$	113,304.00
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R&R Agency		# of FTE's	FTE Allocation
Child Care Resource Center		2	\$ 226,608
Crystal Stairs, Inc.		2	\$ 226,608
Mexican-American Opportunity Foundation		1	\$ 113,304
Pathways		1	\$ 113,304
Pomona Unified School District		1	\$ 113,304
Options for Learning		1	\$ 113,304
Connections for Children		1	\$ 113,304
Children's Home Society		1	\$ 113,304
		10	\$ 1,133,040
B.2	TIC Project Coordination and Consultation		\$ 270,000
Trauma-Informed Care		Grand Total	\$1,403,040

The TIC Coordination and Consultation is the support provided in the Trauma-Informed Care program sub-contracted to Drew Child Development Corporation. These funds, combined with the Program Support under IV Operations, D. above, support the work of the Trauma Informed Care project component. No new positions have been added. Year Three program implementation includes continued Administrative support, such as processing and reviewing reports, submitting reports to Contractor, scheduling trainings, program expansion, and other administrative functions.

C.1	Vouchers	\$	15,773,821
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R&R agencies will be subcontracted to provide child care vouchers to eligible client families based on State Bridge Program objectives. Eligible families may receive a time-limited child care voucher to help cover costs for foster children in this program.

C.2	Hold Harmless Support Vouchers	\$	2,110,936
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Fund to be used for child care providers who had to close or make adjustments due to COVID related closings and missed attendance. \$256,056 from Nonoperational Days and Hold Harmless state allocation transferred to C.3, Subcontractor's Voucher Processing.

C.3	Subcontractors' Voucher Processing	\$	2,169,421
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This is the maximum allowable cost for Subcontractors (R and R/AP agencies) to process the vouchers paid to child care providers for emergency child care services, which is 10.82% broken out from the total voucher Allocation of \$20,054,178.

**DEPARTMENT OF AUDITOR-CONTROLLER
CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK**

The purpose of the handbook is to establish required accounting, financial reporting, internal control, and contract administration standards for organizations that contract with Los Angeles County.

AUDITOR-CONTROLLER CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

The purpose of this Handbook is to establish required accounting, financial reporting, internal control, and contract administration standards for organizations (CONTRACTOR) that contract with Los Angeles County (COUNTY).

The accounting, financial reporting, and internal control standards described in this Handbook are fundamental. These standards are not intended to be all inclusive or replace acceptable existing procedures, preclude the use of more sophisticated methods, or supersede any laws or requirements imposed by the applicable funding sources (i.e., federal and State agencies) that may be more restrictive and/or stringent. Instead, this Handbook represents the minimum required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting system. The internal control standards described apply to organizations with adequate staffing. Organizations with insufficient staff to implement the internal controls as described herein must adopt alternative controls (e.g., use of appropriate alternative staff or Board Officers) to comply with the intent of the standards to ensure effective internal control systems are in place within the organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the Agreement.

A. ACCOUNTING AND FINANCIAL REPORTING

1.0 Basis of Accounting

Unless otherwise specified by the funding source, CONTRACTORS may elect to use either the accrual or cash basis of accounting during the year for recording financial transactions. Monthly invoices must be prepared on the same basis used for recording financial transactions.

The COUNTY recommends the use of the accrual basis for recording financial transactions.

1.1 Accrual Basis

Under the accrual basis for recording financial transactions, revenues are recorded in the accounting period earned (rather than when cash is received). Expenditures are recorded in the accounting period incurred (rather than when cash is disbursed).

Recorded accruals (e.g., to estimate expenditures) shall be reversed in the subsequent accounting period or when deemed appropriate in accordance with Generally Accepted Accounting Principles (GAAP).

1.2 Cash Basis

If a CONTRACTOR elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of each year of the contract, and at the end of the contract.
- All computations, supporting records, and explanatory notes used in converting from the cash basis to the accrual basis must be retained.

1.3 Prepaid Expenditures

Prepaid expenditures (e.g., insurance, service agreements, lease agreements) must be expensed during the appropriate Agreement year to the extent goods and services are received, or are applicable to that Agreement year.

2.0 Accounting System

Each CONTRACTOR must maintain a ***double entry accounting system*** (utilizing debits and credits) with a General Journal, a Cash Receipts Journal, a General Ledger, and a Cash Disbursements Journal. The COUNTY requires that a Payroll Register (see Section A.2.6) also be maintained. Postings to the General Ledger and Journals shall be made at least on a monthly basis. The CONTRACTOR must maintain separate cost centers, which clearly identify funds received and expended on services provided under the COUNTY Agreement.

2.1 General Journal

A General Journal must be maintained for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal. Entries in the General Journal must be adequately documented, and entered in chronological order with sufficient explanatory notations.

Example:

	<u>Debit</u>	<u>Credit</u>
Rent Expenditure	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal must be maintained for recording all cash receipts (e.g., COUNTY warrants, contributions, interest income). The Cash Receipts Journal shall, at a minimum, contain the following column headings:

- Date
- Receipt Number
- Cash Debit Columns
- Income Credit Columns (for the following accounts):
 - COUNTY payments (one per funding source)
 - Contributions/Donations
 - Other Income (grants, sales of supplies/services, rental income, miscellaneous revenue, fees)
 - Description (entries in the description column must clearly specify the source of cash receipts.)

2.3 Cash Disbursements Journal

A Cash Disbursements Journal must be maintained for recording all cash disbursements (e.g., rent, utilities, maintenance)

The Cash Disbursements Journal must, at a minimum, contain the following column headings:

- Date
- Check Number
- Cash (Credit) Column
- Expenditure Account Name
- Description

Note (1) Separate cost columns are required for salary expenditures and other recurring cost classifications for each program.

Note (2) Entries in the description column must clearly specify the nature of the cost and the corresponding cost classification if not included in the column heading.

Note (3) Checks should not be written to employees (other than payroll, mileage reimbursements, travel reimbursements, and petty cash fund custodian checks).

A **Check Register** may be substituted for the Cash Disbursements Journal, but this is not recommended. If used, the Check Register must contain the same cost classifications and description information required when a Cash Disbursements Journal is used.

Disbursements without supporting documentation will be disallowed upon audit. Canceled checks and credit card statements (VISA, AMEX, department store, etc.) alone will not constitute acceptable support. See Sections A.3.2 and B.2.4 for additional guidance on documentation requirements.

2.4 General Ledger

A General Ledger must be maintained with accounts for all assets, liabilities, fund balances, revenues, and expenditures. Separate accounts or cost centers must be maintained for the revenues (e.g., donations, grants, rental income, miscellaneous revenue) and expenditures of each of the CONTRACTOR'S programs and activities (both COUNTY and non-COUNTY).

2.5 Chart of Accounts

A Chart of Accounts must be maintained:

- The COUNTY recommends that CONTRACTORS use the same expenditure account titles on the monthly invoice submitted to the COUNTY.
- If the CONTRACTOR uses account titles which differ from the account titles on the monthly invoice, each account title must clearly identify the nature of the transaction(s) posted to the account.
- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenditures for travel shall be posted to the account titled "travel" and not intermixed with other expenditure accounts.

2.6 Payroll Register

The COUNTY recommends that a Payroll Register be maintained for recording all payroll transactions. The Register should contain the following:

- Name
- Position
- Unique code identifying each employee (e.g., employee number/ID)
- Salary or hourly wage
- Payment Record including:
 - Accrual Period
 - Gross Pay
 - Itemized Payroll Deductions
 - Net Pay Amount
 - Check Number

If a Payroll Register is not used, the information discussed above must be recorded in the Cash Disbursements Journal.

CONTRACTOR will ensure compliance with all applicable federal and State requirements for withholding payroll taxes (e.g., FIT, FICA, FUTA, SIT, SIU), reporting, filing (e.g., 941, DE-7, W-2, W-4, and 1099s), and all applicable tax deposits.

CONTRACTOR will ensure compliance with Internal Revenue Service guidelines to properly classify employees and independent contractors.

2.7 Invoices/Billings

Each CONTRACTOR must submit an invoice/billing at least monthly to report to the COUNTY the financial activity of the program(s) as required in the applicable Agreement.

3.0 Records

Adequate care must be exercised to safeguard the accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S accounting records or supporting documentation must be immediately reported to the COUNTY. CONTRACTOR must report, to the local law enforcement agency having jurisdiction, any act(s), which may reasonably be thought to constitute a crime, and/or which appear to have resulted in the destruction, damage, or alteration of any record subject to the provisions of this Handbook. CONTRACTOR must make their report to the local law enforcement agency within twenty-four hours of becoming aware of the acts which have resulted in the destruction, damage, or alteration of the record.

A copy of the resulting crime/incident report must be retained by the CONTRACTOR for a period of time under which the underlying records that were destroyed/damaged were required to be retained plus an additional three years, and must be retained for a longer period in the case of unresolved litigation or audit.

3.1 Retention

All accounting records (e.g., journals, ledgers), financial records, and supporting documentation must be retained for a minimum of three years after the termination of the CONTRACTOR'S Agreement or the date of submission of the final invoice, billing, or expenditure report, unless a longer retention period is prescribed by the Agreement or applicable laws and regulations, in which case the CONTRACTOR must comply with the longer retention period and all other retention requirements set forth in the Agreement or the applicable laws and regulations.

3.2 Encryption

CONTRACTOR must employ sufficient security measures to safeguard all COUNTY non-public information (e.g., confidential information including, but not limited to, the names and addresses of individuals, Social Security numbers, credit card information) that is electronically stored, used, and transmitted. Encryption standards must, at a minimum, be developed and implemented in accordance with the requirements prescribed by the COUNTY Agreement and COUNTY Board Policy 5.200.

3.3 Supporting Documentation

All revenues and expenditures shall be supported by original vouchers, invoices, receipts, or other documentation and shall be maintained in the manner described herein.

Invoices, receipts, canceled checks, and other documentation, including electronic documentation clearly establishing the nature and the reasonableness of the expenditure and its relevance to the COUNTY program being contracted for are required to support an outlay of funds. If the CONTRACTOR is unclear as to the appropriate documentation that must be retained to support an expenditure, CONTRACTOR shall consult with the COUNTY before the expenditure is charged to the COUNTY. Unsupported or inadequately supported disbursements will be disallowed upon audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs.

Electronic documentation is permitted when the source documentation originated electronically. To the extent the source for electronic documentation is an original hardcopy document (e.g., PDF scans of original vendor invoices), CONTRACTOR shall retain the original source document for inspection by COUNTY. Photocopies (including scanned images) of invoices or receipts, any internally generated documents (e.g., vouchers, request for check forms, requisitions, canceled checks), and account statements alone do not constitute supporting documentation for purchases. COUNTY at its sole discretion may accept photocopies of supporting documentation in preference to the original documents based on the adequacy of the CONTRACTOR'S internal controls over electronic documentation and subject to any limitations imposed by the applicable funding source(s) (i.e., federal and State agencies).

CONTRACTORS must provide acceptable supporting documentation for all expenditures. For example, for the following categories of expenditures, acceptable supporting documentation may include, but not be limited to:

Payroll

- Timecards and attendance records signed and dated by the employee and the employee's supervisor (in ink or electronically) certifying the accuracy and approval of the reported time.
- Time distribution records by program, accounting for total work time on a daily basis for all employees.
- Records showing actual expenditures for Social Security and unemployment insurance.
- State and federal quarterly tax returns, federal W-2 forms, and federal W-4 forms.

Personnel Files

- Documentation supporting approved employee pay rates.
- Proof of employees having the required educational, practical experience, and license(s)/certification(s) for their position.
- Criminal record clearances as required.

Contracted/Consultant Services

- Contracts detailing the nature and scope of services to be provided, and the method and rate of compensation (e.g., cost reimbursement, fixed fee, fee for service, rate per hour) for each service.
- Itemized invoices or other documentation detailing the nature of services provided.
- Time and attendance records or other documentation detailing when services were provided.
- Travel vouchers detailing purpose, time, and location of travel reimbursed by CONTRACTOR.
- Purchase orders and invoices for supplies reimbursed by CONTRACTOR.
- Copies of all completed federal Form 1099s, establishing that all payments to contractors/consultants were reported timely to federal and State taxing agencies.

Travel

- Travel policies of the CONTRACTOR (written).
- Travel expenditure vouchers.
- For travel related to conferences, meetings, seminars, symposiums, workshops, and other similar events, CONTRACTOR shall at a minimum, retain literature, including, but not limited to, agendas and handouts detailing the purpose of the event, as part of the CONTRACTOR'S documentation of the propriety of the travel expenditure.
- Itemized receipts for all travel expenditures (e.g., lodging for approved out-of-town travel, airfare, car rentals, ground transportation, parking)

Note: Reimbursement for actual receipts or per diem rates for lodging and meal expenditures must not exceed the COUNTY'S maximum reimbursement rate for employees. CONTRACTOR shall obtain the COUNTY'S maximum reimbursement rate for each fiscal year from the COUNTY before travel expenditures are charged.

Vehicle Expenditures

- Invoices/receipts for repairs, maintenance, fuel, etc.
- Vehicle registration card.
- Vehicle title.
- Insurance policy.

- Purchase or financing agreement.
- Vehicle lease or rental agreement.
- For vehicles owned/leased by the CONTRACTOR and personal vehicles that are primarily used for business purposes, a vehicle mileage log must be maintained establishing the extent to which the vehicles are used for business versus non-business purposes. The mileage log must identify:
 - Trip dates
 - Origin and destination addresses of the trip
 - Purpose of the trip and how it relates to the Agreement services
 - Beginning and ending odometer readings and the resulting mileage for all trips (including non-business trips) to account for 100% use of the vehicle.
- For personal vehicles that are not primarily used for business purposes, documentation to support reimbursements to employees for mileage and parking must include:
 - Date and time of travel
 - Origin and destination addresses of the trip and the resulting mileage
 - Purpose of the trip and how it relates to the Agreement services
 - Rates claimed (Note: Reimbursement rates for mileage must not exceed applicable federal guidelines.)
 - Parking and toll charges reimbursed
 - Itemized receipts for reimbursed parking and toll charges

All supporting documentation must include sufficient information to identify the vehicle the expenditures are related to, which shall include, but not be limited to, vehicle make and model, vehicle license number, and vehicle identification number.

CONTRACTOR must only charge the COUNTY for vehicle expenditures (e.g., gasoline, repairs/maintenance, insurance, depreciation) to provide COUNTY Agreement services. CONTRACTOR must pro-rate vehicle expenditures based on vehicle usage to exclude the portion of expenditures related to non-COUNTY and non-business use (i.e., non-COUNTY program services, personal use, employee transportation to and from work).

Operating Expenditures (e.g., utilities, office supplies, equipment rentals)

- Bona fide contracts or lease agreements, if applicable.
- Invoices and receipts detailing the cost and items purchased will constitute the primary supporting documentation.
- Documentation acknowledging the receipt of purchased goods and services (e.g., itemized delivery confirmations, stock received reports, packing slips, or other documentation) signed by the employee(s) who verified the good/services were approved and received.

Outside Meals

- Itemized receipts and/or invoices for all meals.
- Documentation detailing the nature and business purpose of each meal.
- Documentation identifying the participants of each meal.

Loans (including, but not limited to, loans to the CONTRACTOR from employees and/or related parties)

- Written loan agreement approved by the CONTRACTOR'S Board of Directors.
- Documentation showing that loaned funds were deposited into a CONTRACTOR bank account.
- Documentation showing that loan proceeds were actually used for COUNTY programs.

To the extent that the loan agreement provides for the payment of interest, the interest may not be an allowable expenditure under the Agreement. If the payment of interest is allowable, interest must not be accrued at a rate which exceeds the COUNTY Treasury Rate plus one percent.

3.4 Payments to Affiliated Organizations or Persons (i.e., Related Party Transactions)

Prior to making payments to affiliated organizations or persons (i.e., related party transactions), CONTRACTOR must complete and submit to the COUNTY a disclosure statement identifying the nature of the relationship with the affiliated or related organizations/persons.

CONTRACTOR must not make payments to affiliated organizations or persons for program expenditures (e.g., salaries, services, rent) that exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for such expenditures. A reasonable cost shall be the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Organizations or persons (related parties) related to the CONTRACTOR or its members by blood, marriage, or through a legal organization (i.e., corporation, partnership, parent company, subsidiary organization, association) will be considered affiliated for purposes of this Agreement. COUNTY shall be solely responsible for determining affiliation unless otherwise allowed and approved by the State or federal agencies.

Payments to affiliated organizations or persons will be disallowed upon audit to the extent the payments exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs (fair market value) for services rendered or items purchased.

Documentation must be maintained to support the actual costs of the affiliated or related organizations/persons and the reasonable costs for services rendered or items purchased, and shall include, but not be limited to:

- Financial records (e.g., general ledgers, payroll registers, labor distributions, invoices/receipts) of the affiliated or related organizations/persons.
- Price and rate quotations for the same services/goods from an adequate number of independent and qualified sources.
- Cost and price analysis.
- Vendor selection analysis.

3.5 Filing

All relevant supporting documentation for reported revenues and program expenditures must be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- Checks – Numerically
- Invoices – Vendor name and date
- Vouchers – Numerically
- Receipts – Chronologically
- Timecards – Pay period and alphabetically

3.6 Referencing

Accounting transactions posted to the CONTRACTOR'S books must be appropriately cross-referenced to supporting documentation. It is recommended that expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- Invoices – Vendor name and date
- Checks – Number
- Vouchers – Number
- Revenue – Receipt number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the corresponding check issued for payment. If multiple invoices are paid with one check, all related invoices should be cross-referenced to the check issued for payment.

4.0 Donations and Other Sources of Revenue

For CONTRACTORS that use donations and/or other sources of revenue (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees) to pay for expenditures related to a COUNTY service, the CONTRACTOR must maintain accounting records that clearly identify the specific expenditures that were paid for with the other source(s) of revenue.

Restricted donations and other sources of revenue, earmarked specifically for the Contract, must be utilized on allowable contract expenditures. Similarly, income from investments (e.g., interest or dividends), where the source of the amount invested is COUNTY program funds, shall be deemed restricted revenue that must be utilized on allowable expenditures, or returned to the COUNTY as specified under the attached Agreement.

5.0 Audits

For routine audits and inspections, CONTRACTOR will make available to COUNTY representatives, upon request, during working hours, during the duration of the contract and for a period of three years thereafter (unless a longer period is specified under the Agreement, or by applicable laws and regulations), all of its books and records, including, but not limited to, those which relate to its operation of each project or business activity, which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records shall be made available upon request at a location within or near Los Angeles County.

In general, audits will normally be performed during normal business hours, Monday through Friday. However, COUNTY retains the right to inspect and conduct investigations of CONTRACTOR'S program/fiscal operations and contract compliance at any time, without prior notice to CONTRACTOR seven days a week, when the COUNTY has information which it, in its sole discretion, deems justifies such an unannounced visit, inspection, audit or investigations.

6.0 Single Audit Requirements

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audit Requirements" states that certain organizations receiving federal awards, including pass-through awards, have annual single audits. Details are contained in the Uniform Guidance.

A copy of any single audit report must be filed with the COUNTY upon request or within the timeframes prescribed by the COUNTY Agreement.

7.0 Subcontracts

CONTRACTOR must not subcontract services without the prior written consent of the COUNTY.

CONTRACTOR must provide COUNTY with copies of all executed subcontracts and must be responsible for the performance of their subcontractors. At the sole discretion of COUNTY, CONTRACTOR may submit an electronic copy of executed subcontracts in preference to a hardcopy.

CONTRACTOR must monitor the activities of their subcontractors as necessary, but no less than annually, to ensure governmental monies are used for their intended purposes, compliance with applicable federal, State, and COUNTY requirements, and performance goals are achieved. The monitoring shall include, but is not limited to:

- Performing reviews of the subcontractor's fiscal and program operations.
- Performing reviews of required financial and performance reports.
- Verifying all subcontractors are audited as required.
- Following-up and ensuring appropriate corrective action is taken on all deficiencies pertaining to the subcontract.

B. INTERNAL CONTROLS

Internal controls are processes designed to provide reasonable assurance regarding the achievement of the CONTRACTOR'S objectives relating to operations, reporting, and compliance, and should safeguard the CONTRACTOR'S assets from misappropriations and misuse. Each CONTRACTOR must prepare necessary written procedures establishing internal controls for its personnel's use. The CONTRACTOR must instruct all personnel in these procedures and continuously monitor operations to ensure compliance with them.

1.0 Cash Receipts

1.1. Separate Fund or Cost Center

All contract revenues must be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable in the accounting records through the use of cost centers or separate accounts.

1.2 Manual Deposits

When collections are received by mail, two employees should be assigned to open the mail and list all collections received on a check remittance log.

All checks shall be restrictively endorsed upon receipt.

Cash received shall be recorded on pre-numbered receipts and the receipts/check remittance log shall be reconciled to the amount being deposited.

Voided receipts shall be retained and the sequence of receipts issued/voided shall be periodically accounted for.

Cash receipts (i.e., cash and checks) totaling \$500 or more shall be deposited within one day of receipt or as soon as reasonably possible.

Collections of less than \$500 may be held and secured and deposited weekly or when the total reaches \$500, whichever occurs first. If CONTRACTOR can establish that a larger limit is warranted, CONTRACTOR may request authorization from COUNTY to increase the limit to an amount greater than \$500.

Deposit slips shall be retained in an organized manner, and shall contain sufficient reference information for comparison to the Cash Receipts Journal and individual receipts, if applicable. A recommended best practice is to retain photocopies of the deposit slip and the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers onto the deposit slip.

1.3 Separation of Duties

An employee who does not handle cash shall record all cash or check receipts in the CONTRACTOR'S accounting records.

1.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling, or check writing responsibilities.

Monthly bank reconciliations should be prepared and reviewed by management for appropriateness and accuracy within 30 days of the bank statement date. The bank reconciliations should be signed and dated by both the preparer and the reviewer. CONTRACTOR should resolve reconciling items timely. See **Exhibit A** for a suggested bank reconciliation format.

2.0 Disbursements

2.1 General

All disbursements (other than those made for petty cash purchases), shall be made using a CONTRACTOR check, electronic funds transfer, or debit/credit card.

Blank check stock must be secured and accounted for to preclude unauthorized use.

Checks shall NOT be payable to "cash" or signed in advance. Similarly, electronic debits to "cash" or withdrawals of cash shall not be made. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

A second signature is recommended on all checks over \$500, unless otherwise specified in the contract. In instances where the payee is also a signor on the check, the disbursement shall be reviewed and approved by a higher-level employee or Board member who shall also sign the check.

If the bookkeeper signs checks, a second signature shall be required on the checks, regardless of limits specified in the contract.

Voided checks shall be marked void. If paper checks are used, the signature block must be cut out. Voided checks must be maintained with the canceled checks.

Returned or undelivered checks shall be canceled regularly, but no less frequent than monthly.

Unclaimed checks shall be canceled periodically, but no less frequent than every six months.

All supporting documentation shall reference the payment made for the expenditure (e.g., check number, transaction number for an electronic funds transfer or credit card payment) and marked "paid" or otherwise canceled to prevent duplicate payments or reuse.

Disbursements without adequate supporting documentation will be disallowed upon audit.

2.2. Approvals and Separation of Duties

Employees responsible for approving cash disbursements and/or signing checks must examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, shall be approved by persons independent of check preparation and bookkeeping activities.

2.3 Petty Cash

Petty cash must NOT be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

A CONTRACTOR may establish a petty cash fund up to \$500 to pay for **small** incidental expenditures incurred (e.g., postage due, parking meters, small purchases of office supplies) and may establish multiple petty cash funds when appropriate (i.e., petty cash fund for each location where services are rendered). The CONTRACTOR must obtain written approval from the COUNTY to establish a single petty cash fund greater than \$500.

Petty cash disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased and the employee making the purchase. In the event that external supporting documentation is not obtainable for minor disbursements (under \$10), such as parking meters, fees, etc., then some written documentation shall be maintained and approved by a supervisory employee not associated with the transaction.

The petty cash fund must be maintained on an imprest (fixed) basis.

A check should be drawn to set up the fund and to periodically replenish the fund up to the imprest amount. Receipts, vouchers, etc., supporting each fund replenishment must be bound together, filed chronologically and cross referenced to the reimbursement check.

A petty cash log shall be maintained for each petty cash fund to track the usage and replenishment of petty cash. Petty cash logs should be reviewed on a monthly basis by a higher-level employee not having responsibilities over the respective petty cash fund to ensure petty cash funds are being used for their intended purposes. See **Exhibit B** for a suggested petty cash log format.

There should be a separate petty cash fund custodian assigned for each petty cash fund established. The petty cash fund custodian should not have any other cash handling responsibilities (i.e., sign checks).

The petty cash fund custodian will be responsible for maintaining and disbursing the petty cash funds and requesting replenishment of the fund up to its imprest amount when necessary.

Each day the petty cash fund is used, the petty cash fund custodian should reconcile the petty cash fund amount to the cash-on-hand, receipts/invoices for which replenishment has not yet been requested, and replenishment requests in process, but not yet received.

Petty cash must be secured at all times in a locked safe, file cabinet, or cash drawer. Access to the petty cash fund should be limited to the petty cash fund custodian and one other employee in case of absence or emergency.

Surprise cash counts of each petty cash fund shall be conducted periodically, but no less than quarterly, to ensure the petty cash fund is being maintained as required. The cash counts should be conducted by a higher-level employee not having cash handling responsibilities over the specific fund being counted. Documentation should be maintained to support each cash count conducted and should be signed and dated by the employee conducting the cash count.

2.4 Credit Cards

Credit cards issued in the CONTRACTOR'S name must be adequately safeguarded and usage monitored to ensure that only authorized and necessary items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

The use of an employee's personal credit card on behalf of the CONTRACTOR for authorized and necessary items should be limited to purchases where established purchasing and disbursement practices are not suitable.

All credit card disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased, the employee making the purchase, and the justification for the purchase. ***Credit card statements alone are not sufficient support for credit card purchases.***

3.0 Timekeeping

3.1 Timecards

Timecards or time reports must be prepared for each pay period. Timecards or time reports must indicate the total hours worked each day by program and the total hours charged to each of the CONTRACTOR'S programs. ***Time estimates alone do not qualify as support for payroll expenditures and will be disallowed upon audit.***

All timecards and time reports must be signed and dated by the employee and the employee's supervisor (in ink or electronically) to certify the accuracy and approval of the reported time. To the extent the CONTRACTOR utilizes electronic timecards and time reports, the CONTRACTOR'S electronic time reporting system must also have sufficient controls to prevent unauthorized alteration/changes to electronic timecards and time reports.

3.2 Personnel and Payroll Records

Adequate security must be maintained over personnel and payroll records with access restricted to authorized individuals. Any automated personnel and payroll records which contain confidential information, such as, but not limited to, employee addresses and medical information, should be adequately encrypted using the minimum encryption standards described in Section A.3.2 to prevent unauthorized access and use.

Personnel and payroll records shall include, but are not limited to, the following:

- Employee's authorized salary rate
- Employee information sheet (e.g., employee contact information, emergency contact information)
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., notarized copy or original diploma, license(s))
- Performance evaluations
- Criminal record clearance (if required)

- Citizenship Status
- Benefit balances (e.g., sick time, vacation)
- Health Clearances (if required)

Benefit Balances

Employee benefit balances (e.g., sick time, vacation, personal time) should be maintained on at least a monthly basis. Benefit balances should be increased when benefit hours are earned and decreased as hours are used.

3.3 Incentive Compensation

Incentive compensation paid to employees should be reasonable, based on a measurable performance metric (e.g., cost reduction, efficient performance, suggestion awards, safety awards), and in accordance with the CONTRACTOR'S established policy or agreement with employees. The CONTRACTOR must maintain documentation to support incentive compensation payments to employees.

3.4 Limitations on Positions and Salaries

The CONTRACTOR shall not pay any salaries higher than those authorized in the COUNTY Agreement or by the applicable funding source(s) (i.e., federal and State agencies).

If an employee serves in the same or dual capacities under more than one agreement or program, time charged to the contracts or programs taken as a whole may not exceed 100% of the employee's actual time worked.

Salaried employees shall be paid a salary that corresponds with the employee's work schedule. For example, a half-time salaried employee performing the same or similar work should be paid proportionately less than a full-time salaried employee.

Payroll expenditures for employees working on more than one Agreement, program, or activity must be equitably allocated in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) requirements.

The CONTRACTOR must not charge the COUNTY for any retroactive salary adjustments made to any employee without written approval from the COUNTY.

3.5 Separation of Duties

Payroll checks should be distributed by persons not involved in timekeeping, preparing of payroll transactions, or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, must be approved in writing by authorized persons independent of payroll responsibilities.

4.0 Capital Assets

Capital assets are tangible assets of significant value having a useful life that extends beyond the current year and are broadly classified as land, buildings and improvements, and equipment. All other assets with an acquisition cost of \$5,000 or more shall be capitalized.

Acquisition cost means the net invoice unit price of an item, including shipping costs and sales taxes, the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired.

Capital asset purchases shall be approved by the CONTRACTOR'S Board of Directors or their authorized representative.

Capital assets shall not be ordered or purchased during the last three months of the term of the CONTRACTOR'S Agreement with the COUNTY, unless the acquisition is pre-approved by the COUNTY.

4.1 Acquisition

As specified in the contract, CONTRACTOR must submit a purchase versus lease analysis to COUNTY and obtain written authorization before making any capital asset purchase where the acquisition cost is \$25,000 or more, and all, or a portion of the cost of the capital asset will be charged to the COUNTY contract.

4.2 Non-Capital Asset Equipment

Non-capital asset equipment is defined as equipment containing COUNTY non-public information, or equipment with a unit cost of more than \$250 but less than \$5,000, a useful life over one year, and can generally be easily carried or moved; especially by hand (e.g., personal computers, related peripherals, fax machines, and other portable assets).

4.3 Asset Identification and Inventory

All fixed assets including capital and non-capital asset equipment, purchased in full, or in part, with contract funds are to be used for the benefit of the contract and should be appropriately tagged.

Each CONTRACTOR must maintain a current listing of fixed assets, including the item description, serial number, date of purchase, acquisition cost and source(s) of funding.

An inventory of all fixed assets must be conducted at least once every two years to ensure that all fixed assets are accounted for and maintained in proper working order. Documentation must be maintained to support the inventory conducted.

4.4 Depreciation and Use Allowance

Unless otherwise approved by the COUNTY, compensation for the use of buildings and other capital improvements may be made through depreciation, or a use allowance:

- The computation of depreciation/use allowance is based on the acquisition cost of the asset(s).
- The computation should exclude the cost of:
 - Land
 - Buildings and equipment donated by governmental agencies
 - Buildings and equipment contributed by the CONTRACTOR to satisfy funding matching requirements
- For depreciation, an appropriate useful life must be established for the asset(s), which considers factors such as the nature of the asset used, susceptibility to technological obsolescence, etc.
- Appendix B to IRS Publication 946, "How to Depreciate Property," contains guidelines for establishing an asset's useful life.
- A use allowance is computed as an annual rate that may not exceed an annual rate of two-percent of the acquisition cost if the asset is a building or improvement. A use allowance in excess of the ceiling percentage must be justified by the CONTRACTOR.

4.5 Rental Costs of Buildings and Equipment

Rental costs are allowable to the extent that the rates are reasonable considering rental costs of comparable property, market conditions in the area, condition of the property being leased, etc.

- Under a "sale and leaseback" arrangement, rental costs would be allowable up to the amount that would be allowed if the CONTRACTOR had continued to own the property. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.
- Under a "less-than-arms-length" lease, costs are only allowable up to the amount that would be allowable had title to the property vested in the CONTRACTOR. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.

4.6 Security

Physical security must be adequately maintained over fixed assets to prevent the misuse or theft of COUNTY property.

4.7 Property Management

The CONTRACTOR must assume responsibility and accountability for the maintenance of all fixed assets purchased, leased, or rented with contract funds.

The CONTRACTOR must maintain documentation to support all cases of theft, loss, damage, or destruction of fixed assets purchased with contract funds. The documentation shall, at a minimum, contain item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report. In cases where the loss resulted from suspected criminal activity (e.g., theft, vandalism, arson), the incident must be reported to the local law enforcement agency with jurisdiction over the location of the suspected crime.

The supporting documentation, including a copy of any related crime/incident reports, must be retained by the CONTRACTOR for a period of time under which the underlying records were destroyed or damaged were required to be retained plus an additional three years, and shall be retained for a longer period in the case of unresolved litigation or audit.

The CONTRACTOR must promptly report in writing to the COUNTY, and provide copies of all relevant supporting documentation described above, all cases of theft, loss, damage, or destruction of:

- Fixed assets purchased with contract funds with an acquisition cost or aggregate costs of \$950 or more.
- Fixed assets that electronically stored, used, and/or transmitted COUNTY non-public information.

CONTRACTOR must dispose/return to the COUNTY all fixed assets in accordance with the Agreement.

5.0 Bonding – All officers, employees, and contractors who handle cash or have access to the CONTRACTOR'S funds (e.g., prepare checks) shall be bonded.

6.0 Investments – COUNTY program funds may not be utilized for investments where there is a risk of loss.

C. COST PRINCIPLES

1.0 Policy

It is the intent of the COUNTY to provide funds for the purpose of the CONTRACTOR to provide the services required by the Agreement. CONTRACTOR must use these funds on actual expenditures in an economical and efficient manner, and ensure they are reasonable, proper,

and necessary costs of providing services and allowable in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) requirements.

1.1. Limitations on Expenditures of Program Funds

CONTRACTOR must comply with the Agreement and applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies). The Uniform Guidance defines direct and indirect costs, discusses allowable cost allocation procedures and the development of Indirect Cost Rates, and specifically addresses the allowability of a variety of expenditures.

If a CONTRACTOR is unsure of the allowability of any particular type of expenditure, the CONTRACTOR should request advance written approval from the COUNTY prior to incurring the expenditure.

1.2 Expenditures Incurred Outside the Agreement Period

Expenditures charged against program funds may not be incurred prior to the effective date of the Agreement or subsequent to the Agreement termination, or expiration date. Similarly, current period expenditures related to events or activities that occurred prior to the effective date of the Agreement may not be allowable. For example, legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid Agreement between CONTRACTOR and COUNTY are not allowable.

1.3 Budget Limitation

Expenditures must not exceed the maximum limits in the contract budget.

1.4 Unspent Program Funds

CONTRACTOR must return any unspent program funds to the COUNTY, unless otherwise permitted by the contract. In addition, the COUNTY will determine the disposition of unspent program funds upon termination of the Agreement.

1.5 Necessary, Proper and Reasonable

Only those expenditures that are necessary, proper and reasonable to carry out the purposes and activities of the Program are allowable.

2.0 Allocable Expenditures

For CONTRACTORS that operate programs or provide services in addition to the services required under contract, the CONTRACTOR must allocate expenditures to all benefiting programs, activities, and funding sources using an equitable basis. Unallowable activities (e.g., fundraising or investing) must also receive an appropriate allocation of costs.

In accordance with the applicable sections of the Uniform Guidance, CONTRACTORS must define their allocable expenditures as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible. ***Actual conditions must be taken into account when selecting the method and/or base to be used to allocate expenditures to ensure expenditures are allocated equitably to each benefiting program, activity, and funding source.***

The CONTRACTOR must maintain documentation for allocated expenditures (e.g., timecards, time summaries, calculation of full-time equivalents, square footage measurements).

Under no circumstances shall allocated expenditures be charged to an extent greater than 100% of actual expenditures or the same expenditure be charged both directly and indirectly.

2.1 Direct Costs

Unless otherwise set forth in this contract, or required by the funding source(s), direct costs are defined as those costs that can be identified specifically with a particular final cost objective (e.g., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on the employees' timecards and the payroll expenditures should be treated as direct charges and distributed on the basis of the actual recorded hours spent on each program or using another equitable basis based on actual conditions.

Shared costs (i.e., costs that benefit more than one program or activity) which can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating shared costs as direct costs:

- Number of direct hours spent on each program
- Full-time equivalents for each program
- Square footage occupied by each program
- Other relevant and equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or shared purposes and cannot be readily identified with a particular final cost objective. Examples of indirect costs include the salaries and benefits of executive officers and administrative personnel (e.g., accounting, human

resources, information technology), depreciation and use allowances for administrative buildings, and other costs related to the general administration of the organization. Only expenditures that are allowable in accordance with the applicable sections of the Uniform Guidance and any other applicable funding source(s) (i.e., federal and State agencies) shall be included as indirect costs and allocated to the COUNTY program(s).

Examples of bases for allocating indirect costs:

- Total direct salaries and wages
- Total direct costs, excluding unallowable costs that do not represent an activity of the CONTRACTOR (e.g., fines, penalties, bad debts), capital expenditures, and other distorting items such as significant one-time expenditures, or subcontractor payments

2.3 Acceptable Indirect Cost Allocation Methods

The Uniform Guidance describes the following allowable methods for allocating and charging indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate
- De minimis rate

CONTRACTOR must ensure the indirect cost allocation methodology chosen is clearly described in their Cost Allocation Plan and is used consistently to allocate indirect costs.

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base.

Example:

Agency-wide indirect costs	\$250,000
Less: Capital Expenditures	<u>10,000</u>
Allocable indirect costs	240,000
Total Agency-wide direct salaries	\$1,000,000
Indirect cost rate (\$240,000/\$1,000,000)	24%
Program direct salaries	\$100,000
Program indirect costs (24% x \$100,000)	<u>\$24,000</u>

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenditures are treated as direct costs. Shared costs, such as depreciation, facility and equipment rentals, facilities maintenance, telephone, and other similar expenditures, are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenditures, are then allocated using the simplified allocation method previously discussed.

Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated.

Negotiated Indirect Cost Rates

CONTRACTORS have the option of negotiating an indirect cost rate or rates for use on all their federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency with the largest dollar value of Federal awards funded to the organization. The approved indirect cost rate is then applied to the total approved direct cost base.

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR must submit a copy of the approval letter to COUNTY upon request.

De Minimis Rate

A CONTRACTOR that does not have a current negotiated (including provisional) rate may elect to charge indirect costs based on a de minimis rate of 10% of modified total direct costs. If elected, this rate may be used indefinitely, but must be used consistently to charge indirect costs to all programs and activities.

Modified total direct costs includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

2.4 Indirect Cost Limitations

CONTRACTOR must ensure indirect costs charged to the COUNTY program are within any maximum limitations established by statutory requirements. Any amounts charged in excess of maximum limitations will be disallowed upon audit unless otherwise allowed and approved by the applicable COUNTY, State, or federal agency.

2.5 Cost Allocation Plan

CONTRACTOR must submit an annual Agency-wide Cost Allocation Plan as required by the COUNTY agreement and when requested by COUNTY. The Cost Allocation Plan must be prepared in accordance with COUNTY instructions and the applicable sections of the Uniform Guidance, and include the following information:

1. CONTRACTOR general accounting policies:
 - Basis of accounting
 - Fiscal year
 - Method for allocating indirect costs (e.g., simplified, direct, multiple, negotiated rate, de minimis rate)
 - Indirect cost rate allocation base (e.g., direct salaries and wages, direct costs)
2. Identify the CONTRACTOR'S direct, shared, and indirect costs (by category) and describe the cost allocation methodology for each category.
3. Signature of CONTRACTOR management certifying the accuracy of the plan.

D. UNALLOWABLE COSTS

The Uniform Guidance addresses the allowability of a variety of costs. For all costs, there are certain restrictions and limitations; however, the following costs are not allowable under any circumstances:

- Bad debts
- Contingency provisions
- Contributions and donations
- Fines and penalties (e.g., including, but not limited to, NSF Check Fees, Traffic Citation Fees)
- Fundraising activities
- Interest (unless expressly allowed by federal guidelines)
- Losses on other awards

E. OVERPAYMENTS

If upon audit, or at any time during the Agreement year, it is determined that invoices submitted to the COUNTY which were used as a basis for payments to the CONTRACTOR were inaccurate, COUNTY shall determine the total overpayment and require the CONTRACTOR to repay COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments for any amounts not returned to the COUNTY or credited to the Contract unless otherwise prohibited by State or federal regulations.

F. GOVERNANCE

OVERVIEW

Large numbers of nonprofit corporations, organized for public benefit, receive public funds through contracts with Los Angeles County. Many County service contracts support key public initiatives, including protecting children, providing health care and foster employment, and reducing the effects of mental impairments and substance abuse.

Nonprofit organizations doing business with Los Angeles County must conduct their work in a manner consistent with their charitable mission and the public purposes embodied in County contracts. This demands that nonprofit agency governing boards be conscious of their fiduciary responsibilities in providing oversight and making decisions.

Directors, officers, and employees of nonprofit corporations with which Los Angeles County contracts shall not:

- Permit or benefit from self-dealing transactions (unless permitted by law), or unreasonable compensation
- Misuse or dissipate scarce public resources

1.0 Independence

It is recommend that Nonprofit agencies doing business with the County of Los Angeles have a governing board of at least 5 directors (however, under no circumstances shall a governing board have less than 3 directors), a majority of whom (1) have not been employed by the Nonprofit within 5 years before their election, (2) have no direct or indirect material financial interest in the organization, or any other relationship that could create a conflict of interest on the part of the director(s). A financial interest may exist for reasons of business, investment, or family relationship (including a director's brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law).

"Financial interest" means an actual or potential ownership, investment, or compensation arrangement in or with any entity or individual with which the

organization has, or is negotiating, a transaction or arrangement. The term "independent", when used to describe Directors who serve on the oversight committees described in paragraph 3.0 refers to persons meeting the requirements of this paragraph.

2.0 Oversight Mechanisms

An organization's governing board shall provide for its governance in accordance with the following:

- Adopt and disclose the organization's governance standards including director qualifications, responsibilities, and compensation.
- Adopt and disclose a code of business conduct and ethics for directors, officers, and employees, and promptly disclose to the County any waivers of the code affecting organization directors, officers, or employees.
- Be familiar with the terms and conditions of all the Organization's County contracts. No less than annually, the board should review the Organization's compliance with contract provisions, particularly including insurance, internal control, federal and State reporting and payment requirements for payroll withholding, and report deviations to the County oversight department.

An organization's governance guidelines and code of ethics shall provide means to annually distribute to and obtain from directors, officers and employees written acknowledgments of their adherence to the organization's governing standards. They must incorporate a mechanism for disclosing and addressing possible conflicts of interest. They must provide for appropriate record-keeping, particularly of transactions and arrangements required to be reviewed by the governing board and where significant organization resources are expended by or for officers, directors and employees.

An organization's governance guidelines and code of ethics shall provide for "just and reasonable" compensation and benefits consistent with the compensation amount or guidelines established in the Organization's contract(s) with the COUNTY. Compensation and benefits of directors, officers, and employees should be comparable to agencies of similar size and function (See Section B.3.3, "Limitations on Positions and Salaries"). No employee may receive compensation or benefits for more than one Organization job. For example, the CEO cannot receive compensation or benefits for the job of CEO and another job such as program manager, etc.

3.0 Oversight Committees

An organization's governing board shall establish committees having the following characteristics, compensation, and duties.

Nominating Committee

The Board shall establish a nominating committee composed entirely of independent directors to consider new appointments to the Board.

Compensation and Benefits Committee

The Board shall establish a Compensation and Employee Benefits Committee composed entirely of independent directors to establish compensation and benefits for the Organization's Chief Executive Officer, President, Chief Financial Officer, and Treasurer.

Audit Committee

The Board shall establish an Audit Committee of no fewer than three directors, all of whom must be independent, and one of whom shall have financial experience. In no event shall employees, including, but not limited to the president, chief executive officer, the treasurer, or chief financial officer serve on the Audit Committee.

Annual Audit Duties:

- If the CONTRACTOR expends federal awards in excess of \$750,000 in a year, the Audit Committee will recommend an independent auditor to perform the annual single audit of the CONTRACTOR'S financial records. The audit must be performed in accordance with Generally Accepted Government Auditing Standards and comply with the Single Audit Act and Uniform Guidance.
- The Audit Committee must negotiate the independent auditor's compensation on behalf of the governing Board, oversee its work, and resolve disagreements between management and auditors regarding financial reporting.
- The Audit Committee must confer with the auditor to review the audit and decide whether to accept it, satisfy itself that the financial affairs of the nonprofit organization are in order, and ensure that the COUNTY receives a copy of the annual audit report and all other audits, reviews, and other third-party reports.

Additional Audit Committee Duties

The Audit Committee must:

- Establish procedures for receiving and addressing complaints regarding accounting, internal controls, and auditing matters.
- Monitor and take steps to ensure proper management response to major performance or fiscal deficits, such as the expressed concerns or claims of major creditors.

- Pre-approve all audit and non-audit services provided by the auditor. Non-audit services are defined as any professional services provided other than those provided in connection with an audit or review of the financial statements of the Organization. Following is a list of non-audit services for which the independent auditor cannot perform unless the firm follows the independence standard in the Yellow Book issued by the U.S. Comptroller General:
 - ✓ Bookkeeping or other services related to the accounting records, or financial statement of the audit client;
 - ✓ Financial information systems design and implementation;
 - ✓ Internal audit outsourcing services;
 - ✓ Management functions or human resources;
 - ✓ Investment adviser or investment banking services;
 - ✓ Legal services and expert services unrelated to the audit.

G. MISCELLANEOUS REQUIREMENTS

1.0 Insurance

CONTRACTOR is responsible for securing and maintaining insurance coverage as required by the Agreement. CONTRACTOR must notify COUNTY when insurance is revoked, reduced to a level or coverage less than required, or otherwise made ineffective.

Insurance must include an endorsement naming the COUNTY as an additional insured.

2.0 Activity

No funds, materials, property, or services contributed to the COUNTY or the CONTRACTOR under this Agreement shall be used in the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

3.0 Reporting Fraud/Misconduct

CONTRACTORS are expected and required to report suspected fraud, waste, or misuse of public monies, and misconduct of COUNTY personnel to the Los Angeles County Fraud Hotline (Hotline). CONTRACTORS are also expected and required to report suspected fraud committed by their employees and subcontractors when that fraud affects their contract with the COUNTY. Reportable conditions include, but are not limited to:

- Requests for bribes/kickbacks/gratuities by COUNTY personnel.
- Favoritism/nepotism in the awarding of COUNTY contracts, or selection of vendors.
- Theft or misuse of any funds, resources, or equipment.

Reportable conditions must be reported to the Hotline upon their discovery by CONTRACTOR. Failure to report the types of fraud/misconduct discussed above may be grounds for contract termination.

The reporting party may remain anonymous. Reports can be made via telephone, mail or by Internet to:

Online: www.fraud.lacounty.gov

Email: fraud@auditor.lacounty.gov

Toll Free: (800) 544-6861

U.S. Mail: County of Los Angeles
Department of Auditor-Controller
Office of County Investigations,
500 W. Temple Street, Suite 514
Los Angeles, CA 90012

Agency Name
Bank and Account #
For the Month Ended June 30, 202X

Balance Per Bank Statement			\$ 35,000.00
Add:	Deposit(s) in Transit		\$ 4,000.00
	Bank Service Charge		
	(erroneously posted -- to be reversed next month)		\$ 20.00 [1]
Less:	Outstanding Checks		
	#100	\$ 1,000.00	
	#101	\$ 500.00	
	#102	\$ 500.00	\$ (2,000.00)
	Bank Posting Error (to be reversed next month)		\$ (120.00) [1]
Adjusted Bank Balance			<u>\$ 36,900.00</u>
<hr/>			
Balance Per Book			\$ 36,950.00
Less:	Bank Charges	\$ 40.00	
	Post Error	\$ 10.00	\$ (50.00) [1]
Adjusted Book Balance			<u>\$ 36,900.00</u>

Prepared by: _____ Date _____

Reviewed by: _____ Date _____

[1] Reconciling items.

Approved Petty Cash Fund Amount: _____

Date

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles ("County") is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit ("Exhibit") sets forth the County and the Contractor's commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the "Contract") and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.

- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. INTENTIONALLY OMITTED

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in [Board of Supervisors Policy 6.104 – Information Classification Policy](#) as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.

- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations and those procedures are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, the Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role, with access to County Information for potential security Risks. Such background investigations must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review and conducted in accordance with the law, may include criminal and financial history to the extent permitted under the law, and will be repeated on a regular basis. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. The Contractor, in compliance with its legal obligations, shall conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

The Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

The Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

The Contractor shall have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Contract, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit Contract; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit Contract.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to

protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.

- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Program Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email

CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:

Ralph Johnson
Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5600

Chief Privacy Officer:

Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363

Departmental Information Security Officer:

Name
Departmental Information Security Officer
Address
City, State Zip
Telephone
Email address

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.

- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, The Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

15. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

16. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing

County Information via an onsite inspection at least once a year. Upon the County's request the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

17. CYBER LIABILITY INSURANCE

The Contractor shall secure and maintain cyber liability insurance coverage in the manner prescribed in this section unless the Contract prescribes cyber liability insurance coverage provisions and those provisions are no less stringent than those described in this section.

The Contractor shall secure and maintain cyber liability insurance coverage with limits of at least **\$2 Million** per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor shall add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

18. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys'

fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Notwithstanding the preceding sentences, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

ADDENDUM A: INTENTIONALLY OMITTED

ADDENDUM B: INTENTIONALLY OMITTED

ADDENDUM C: APPLICATION SOURCE CODE REPOSITORY

The Contractor shall manage the source code in the manner prescribed in this Addendum unless the Contract prescribes procedures for managing the source code and those procedures are no less stringent than the procedures described in this addendum.

- a. **County Application Source Code.** To facilitate the centralized management, reporting, collaboration, and continuity of access to the most current production version of application source code, all code, artifacts, and deliverables produced under this Contract, (hereinafter referred to as "County Source Code") shall be version controlled, stored, and delivered on a single industry-standard private Git repository, provided, managed, and supported by the County. Upon commencement of the contract period, the Contractor will be granted access to the County's private Git repository.
- b. **Git Repository.** The Contractor will use the County Git repository during the entire lifecycle of the project from inception to final delivery. The Contractor will create and document design documents, Data flow diagrams, security diagrams, configuration settings, software or hardware requirements and specifications, attribution to third-party code, libraries and all dependencies, and any other documentation related to all County Source Code and corresponding version-controlled documentation within the Git repository. This documentation must include an Installation Guide and a User Guide for the final delivered source code such that County may download, install, and make full functional use of the delivered code as specified and intended.

COVID-19 Vaccination Certification of Compliance
Urgency Ordinance, County Code Title 2 – Administration, Division 4 –
Miscellaneous – Chapter 2.212 (COVID-19 Vaccinations of County Contractor
Personnel)

I, _____, on behalf of
_____, (the “Contractor”), certify that on County
Contract _____ [ENTER CONTRACT NUMBER
AND NAME]:

_____ All Contractor Personnel on this Contract are fully vaccinated as required
by the Ordinance.

_____ Most Contractor Personnel on this Contract are fully vaccinated as required
by the Ordinance. The Contractor or its employer of record, has granted a valid medical
or religious exemption to the below identified Contractor Personnel. Contractor will
certify weekly that the following unvaccinated Contractor Personnel have tested
negative within 72 hours of starting their work week under the County Contract, unless
the contracting County department requires otherwise. The Contractor Personnel who
have been granted a valid medical or religious exemption are [LIST ALL
CONTRACTOR PERSONNEL]:

_____ I have authority to bind the Contractor, and have reviewed the requirements
above and further certify that I will comply with said requirements.

Signature

Date

Title

Company/Contractor Name



GINGER PRYOR
Acting Director

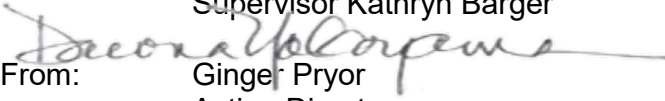
DAWNA YOKOYAMA
Interim Chief Deputy
Director

**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

Board of Supervisors
HILDA L. SOLIS
First District
HOLLY J. MITCHELL
Second District
SHEILA KUEHL
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

February 15, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger
From:  for
Ginger Pryor
Acting Director

NOTICE OF INTENT TO AMEND THE SOLE SOURCE CONTRACT WITH CHILD CARE ALLIANCE OF LOS ANGELES FOR EMERGENCY CHILD CARE BRIDGE SERVICES

In compliance with Board Policy 5.100, Sole Source Contracts, this is to notify the Board that the Department of Children and Family Services (DCFS) intends to amend the Sole Source Contract Number 21-04-013 with Child Care Alliance of Los Angeles (CCALA) for Emergency Child Care Bridge Services.

The Board Letter adopted on June 8, 2021, delegated authority to the Director of DCFS to enter into a Sole Source Contract with CCALA for a one-year term effective July 1, 2021 through June 30, 2022, with three one-year extension options. DCFS intends to amend the contract to increase the Maximum Contract Sum to align with the State's annual fiscal allocation.

The Amendment will update the Maximum Annual Contract Sum per County Fiscal Letter No. 21/22-45, update Budget documents, exhibits and programmatic changes. The estimated Maximum Annual Contract Sum for the term July 1, 2021 through June 30, 2022, will be \$24,232,052, \$23,384,998 financed using 96 percent State funds and \$847,054 financed using 4 percent net County cost. The final Maximum Annual Contract Sum will be determined after Chief Executive Office's approval.

If you have any questions or need additional information, you may contact me, or your staff may contact Aldo Marin, Board Liaison, at (213) 351-5530.

GP:DY:CMM
KDR:LTI:CP:vf

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

"To Enrich Lives Through Effective and Caring Service"

SOLE SOURCE CHECKLIST

Department Name: _____

☐ New Sole Source Contract

☐ Existing Sole Source Contract Date Sole Source Contract Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Mason Matthews

Chief Executive Office

Date

Sole Source Justification

1. What is being requested?

The Department of Children and Family Services (DCFS) requests approval from the Board of Supervisors to amend the Emergency Child Care Bridge Services contract with Child Care Alliance of Los Angeles (CCALA), to administer immediate child care services Department-wide to facilitate advantageous foster care placements.

2. Why is the product (service) needed – how will it be used?

Over the years, it has become increasingly difficult to recruit foster parents to care for our child welfare population. The Association of Community Human Services Agencies surveyed various foster family agencies in October 2015, and noted that 100% of the respondents cited the lack of child care as a barrier for them deciding to become Resource Parents. Another survey conducted of social workers tasked with locating placements in the Children's Welcome Center estimated that 25% of the denials were due to the lack of available child care services.

Senate Bill (SB) 89 established the Emergency Child Care Bridge Program for Foster Children in response to the lack of access to immediate child care recognized as a primary barrier for potential families to accept foster children into their homes. When a placement is sought for a child, the Children's Social Worker can submit a referral for eligible resource parents to receive child care services from a Provider of their choice or request enhanced referrals. The Emergency Child Care Bridge Services program is for a limited period of time (six months, and a reassessment for an additional six months), while the Navigator is working on arrangements to secure long term subsidized child care services.

3. Is this brand of product the only one that meets the user's requirements?

NA

4. Have other products or vendors been considered?

No. There are no other vendors in the Los Angeles area that have the ability to provide this service on a large scale. This service requires specialized knowledge of child care resources throughout the LA area on a daily basis.

5. Will purchase of this product avoid other costs?

Yes. There will be increased opportunities for children to be placed closer to their communities of origin with their siblings, which will encourage visitations to reunify with their parents. This will also eliminate the need to arrange sibling visits, and the costs associated to provide transportation fees. This may reduce some of the trauma children experience from entering more expensive placements, and the costs for additional mental health services. This service will also expand the pool of foster parents to enable those that are working or attending school to continue to do so and provide quality care to children in their care.

6. Is this service available from other providers?

No. Individual child care providers are not able to provide this service on a large scale, which Los Angeles County requires to be effective. Aside from this provider, there is not another child care alliance that can facilitate this service for the DCFS.

7. Reasonableness of price – Does County obtain a percentage discount or special discount not available to the private sector?

The price for the service is reasonable, but the County does not receive special discounts. The sole source contract was conducted via a Procurement by Negotiation (PBN) process, and the contractor receives approximately 4% of the budget allocation to administer the contract. It would be far more expensive to employ DCFS staff to provide this service in-house.

8. What is the dollar value of the existing equipment?

NA